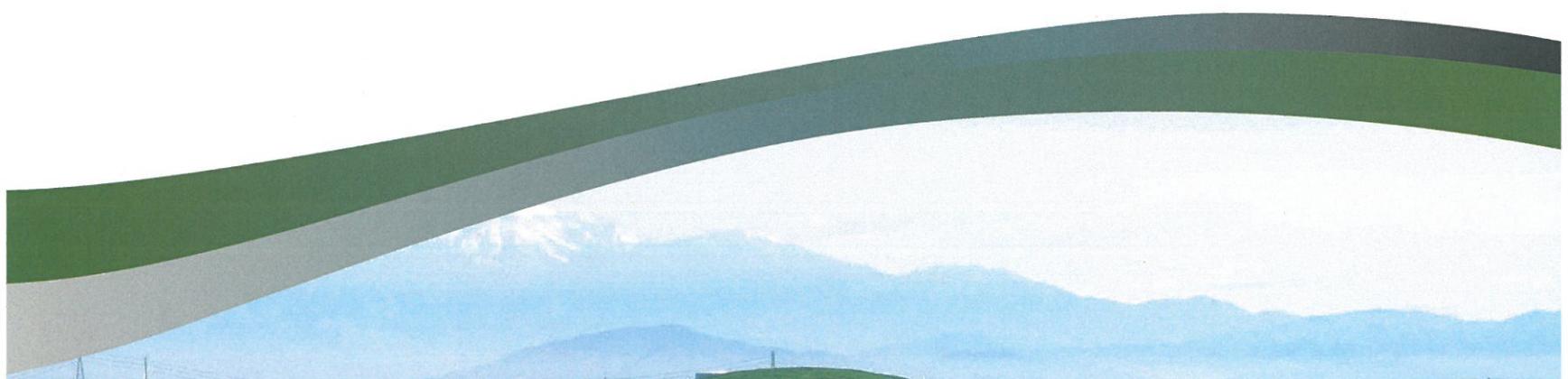


City of Diamond Bar, California
Comprehensive Annual
Financial Report
Year ending June 30, 2013



CITY OF DIAMOND BAR, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2013

Prepared by:
Finance Department

Dianna Honeywell
Director of Finance

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF DIAMOND BAR
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Certificate of Achievement for Excellence in Financial Reporting	vi
Organization Chart	vii
List of Elected and Administrative Officials	viii
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	22
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	23
Budgetary Comparison Statement - General Fund	24
Statement of Net Position – Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	26
Statement of Cash Flows – Proprietary Funds	27
Notes to Basic Financial Statements	29

CITY OF DIAMOND BAR
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page(s)</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Combining Balance Sheet - Nonmajor Governmental Funds	52
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	58
Budgetary Comparison Schedules - Special Revenue Funds:	
State Gas Tax Fund.....	63
Proposition A Transit Fund	64
Proposition C Transit Fund	65
Transportation Grant Fund.....	66
Integrated Waste Management Fund	67
Traffic Improvement Fund	68
Air Quality Improvement Fund	69
Trails & Bikeways Fund.....	70
Park and Facility Development Fund.....	71
Community Development Block Grant (CDBG) Fund	72
Citizens Option for Public Safety (COPS) Fund	73
Asset Seizure Fund.....	74
California Law Enforcement Equipment Program (CLEEP) Fund	75
Landscape Maintenance District Fund.....	76
Measure R Local Return Fund.....	77
EECBG Fund	78
Budgetary Comparison Schedule - Capital Projects Funds:	
Capital Improvement Fund.....	79
Budgetary Comparison Schedule - Debt Service Funds:	
Public Financing Authority.....	80
Combining Statement of Net Position – Internal Service Funds	81
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds.....	82
Combining Statement of Cash Flows – Internal Service Funds.....	83

CITY OF DIAMOND BAR
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page(s)</u>
STATISTICAL SECTION	
Financial Trends:	
Net Position by Component - Last Ten Fiscal Years	86
Changes in Net Position - Last Ten Fiscal Years.....	88
Fund Balances of Governmental Funds - Last Ten Fiscal Years	91
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	92
Revenue Capacity:	
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.....	95
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	96
Top 10 Property Taxpayers - Current Fiscal Year and Ten Fiscal Years Ago.....	98
Secured Property Tax Levies and Collections – Last Ten Fiscal Years	99
Debt Capacity:	
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	100
Direct and Overlapping Debt.....	101
Computation of Legal Debt Margin - Last Ten Fiscal Years	102
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Ten Calendar Years	103
Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago	104
Operating Information:	
Full-Time Equivalent City Employees by Function - Last Ten Fiscal Years	105
Operating Indicators by Function - Last Ten Fiscal Years	106
Capital Asset Statistics by Function - Last Ten Fiscal Years.....	107

THIS PAGE INTENTIONALLY LEFT BLANK



City of Diamond Bar

21810 Copley Drive • Diamond Bar, CA 91765-4178

(909) 839-7000 • Fax (909) 861-3117

www.DiamondBarCA.gov

December 23, 2013

Honorable Mayor and Members of the City Council
City of Diamond Bar
Diamond Bar, California

It is a pleasure to submit the Comprehensive Annual Financial Report of the City of Diamond Bar for the fiscal year ended June 30, 2013. This report consists of management's representations concerning the finances of the City. Consequently, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide assurance that the financial statements will be free from misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Lance, Soll, & Lunghard, LLP, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2013, were fairly presented

Jack Tanaka
Mayor

Ron Everett
Mayor Pro Tem

Ling-Ling Chang
Council Member

Carol Herrera
Council Member

Steve Tye
Council Member

in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Diamond Bar was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF DIAMOND BAR

The City, incorporated in 1989, is located at the junction of the 57 and 60 freeways. As a result, the City of Diamond Bar is at the hub of the Los Angeles basin transportation network. A twenty-five mile radius encompasses Pasadena, downtown Los Angeles, Long Beach, Irvine and Riverside. Diamond Bar is a relatively young residential community of about 56,000, situated among the meandering hills and valleys of Brea Canyon. Many desired services can be found in Diamond Bar's shopping and business centers. Recreational opportunities within the City include more than 70 acres of developed park facilities, hiking trails, a community center, an 18-hole public golf course and 370 acres of undeveloped publicly owned open space.

The City has operated under the council-manager form of government since incorporation. Policy making and legislative authority are vested in a five member City Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and task forces, and hiring both the City Manager and contracting for City Attorney services. The City Manager is responsible for overseeing the day-to day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with elections held every other year. Each December, the City Council selects a Mayor and Mayor Pro Tem from its membership.

The City of Diamond Bar is a contract city and as such contracts for many of its services. This includes police services, building and safety services, engineering, road maintenance and landscape maintenance.

The Los Angeles County Fire District provides fire protection, which is independent of the City. Funds are collected through property tax bills and are disbursed directly to the

Los Angeles County Fire District by the Los Angeles County Tax Collector's Office.

Water services for the City are provided by the Walnut Valley Water District. Refuse collection is provided by private waste collection companies. Additionally, schools are provided by both the Walnut Valley Unified School District and the Pomona Unified School District. Accordingly, none of these activities are included in this report.

ECONOMIC CONDITION AND OUTLOOK

Fiscal year 2012-13 has been the first year out of the last several years that has seen meaningful improvement in the national, state and local economies. Unemployment rates have begun to come down and consumer spending is once again on the rise. The housing market has also begun to improve. Homes are starting to gain back the value lost during the recession and property sales are picking up.

Fiscal year 2012/13 was a year of "status quo" for the City of Diamond Bar. It was a year of monitoring where revenues were headed, while holding costs to prior year levels wherever possible. FY 2012/13 was the first full year that the new City Hall/Library building was fully operational. Staff was able to analyze what the true costs of operating the new building would entail. Some adjustments were made but, overall, the anticipated costs were within range of what was expected.

The City's sales tax base saw the most significant growth seen in the last several years with an increase in revenue of 3.25% over last year. The City's interest in promoting economic development has become increasingly important. Since the City is located at a major freeway interchange, several of the City's major sales tax producers are service stations, so the price of gasoline greatly influences the sales tax revenue received. City officials have been working diligently toward its economic development goal to diversify its sales tax base. The coming fiscal year promises to bring new, exciting and more diverse options for residents and businesses to "Shop Diamond Bar".

Home values also saw a significant rise during FY 2012/13. The largest revenue source in the City, Property tax revenue, was up 4.0%. The City also saw a significant increase in home sales which is evidenced by an increase of 13.1% in Property Transfer Tax revenue.

Another sign that the local economy is starting to recover is the increase in building permit activity. All categories of permits saw a healthy increase in revenue for an overall increase of 19.1% in building permit revenue. FY 2013/14 will see a significant increase in this area due to the sale and development of the area commonly known as "Site D". The Walnut Valley Unified School District owned a piece of property at the south end of the City. The City of Diamond Bar was the owner of a small portion of that property. FY 2012/13 saw the approval of land use to develop this area, now known as the "Willow Heights" project, to include 182 dwelling units and a 2.5 acre public park. This is the first large-scale housing project constructed in the City during

the last several years.

The City's future economic health is being secured by building healthy reserves through fiscally conservative budgets and policies in addition to aggressively pursuing economic development opportunities.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Diamond Bar for its comprehensive annual financial report for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, with contents that conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Diamond Bar has received the Certificate of Achievement for the last eighteen consecutive years (fiscal years ended 1995 through 2012). We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

REPORTING ENTITY AND ITS SERVICES

This Comprehensive Annual Financial Report includes all funds of the City. The City directly provides a limited range of services and contracts for several other services. The City's significant reliance on contracted services has the benefit of reducing expenses to the citizens of the City of Diamond Bar while simultaneously providing the City with a high degree of flexibility in responding to changing economic conditions. Contracted services include police protection, building and safety, street maintenance, park maintenance, capital improvement projects, animal control, attorney services and engineering. Staff provided services include: community development (which includes planning, economic development, building and safety management, and neighborhood improvement), public works (which includes engineering, capital projects administration, street maintenance contract management, traffic and transportation matters, engineering contract management, and solid waste contract management), community services (which includes senior services, park maintenance, recreation services, community center operation, and landscape maintenance), public information, subsidized transit ticket sales, grant administration, financial management, and administrative management. All of these activities are included in this report.

INTERNAL CONTROLS

The City of Diamond Bar's accounting system has been developed by giving consideration to the adequacy of internal accounting controls. Internal accounting controls are implemented by the City to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and that the City's financial records used for preparing financial statements are maintained in a reliable fashion. The concept of reasonable assurance recognizes that the cost of these controls should not exceed the benefits derived from them. The City's internal controls accomplish these objectives.

ACKNOWLEDGEMENTS

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service and excellence found within the City's Finance Department staff, and through the cooperation of the entire City staff. Each City staff member has my sincere appreciation for their cooperation and contributions in the preparation of this Report.

I would like to thank Dianna Honeywell, Finance Director, for her prudent fiscal stewardship. In addition, I would also like to thank our independent auditor, Lance, Soll, and Lunghard, L.L.P., who provided expertise and advice in the preparation of the City's Comprehensive Annual Financial Report.

In closing, without the leadership and support of the City Council of the City of Diamond Bar, the preparation of this Report would not have been possible.

Sincerely



James DeStefano
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

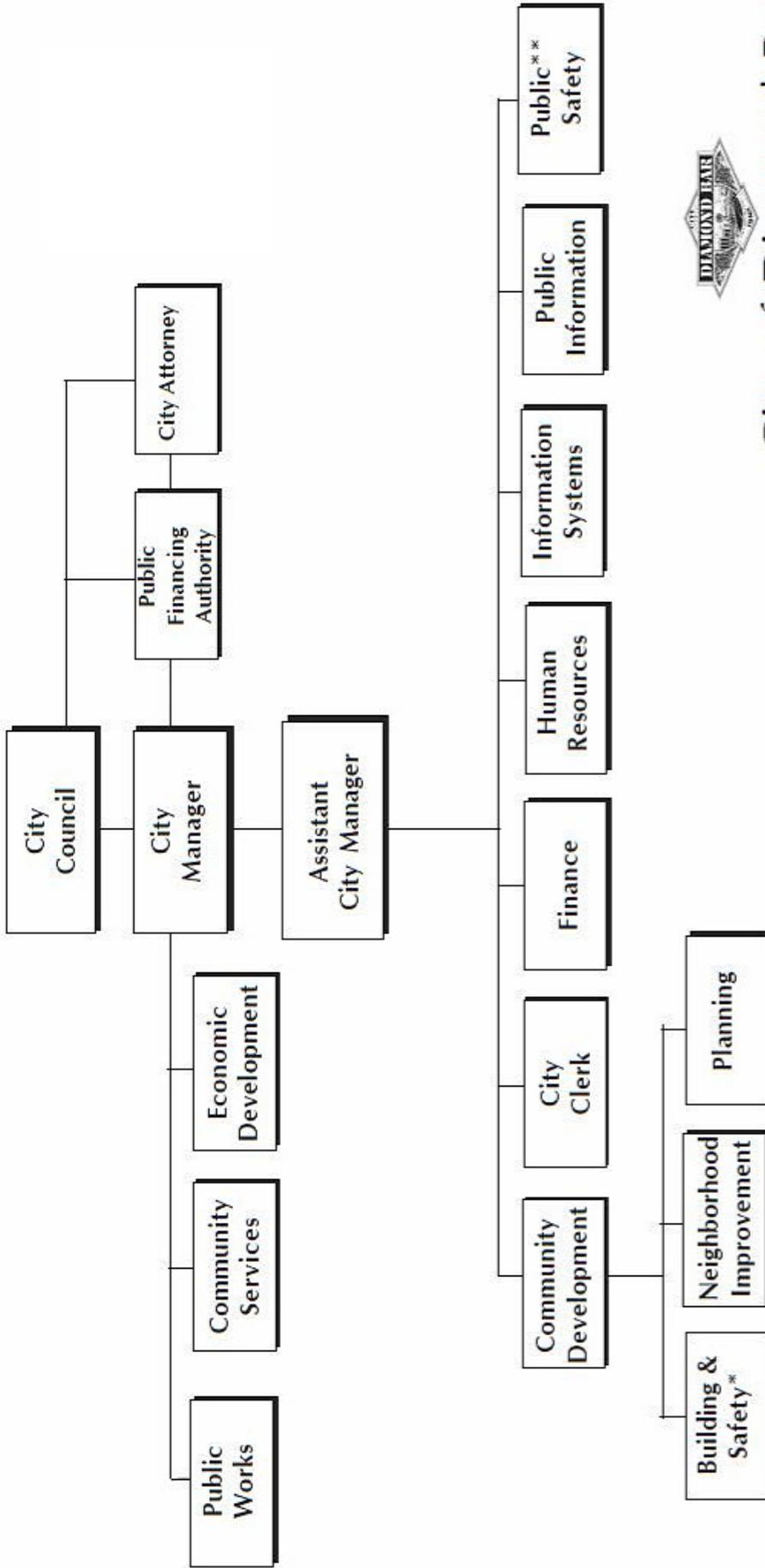
Presented to

**City of Diamond Bar
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



City of Diamond Bar Organization Chart

* = Contract Services
** = County Service

CITY OF DIAMOND BAR
ELECTED AND ADMINISTRATIVE OFFICIALS
FISCAL YEAR 12-13

Mayor
Mayor Pro Tern
Councilmember
Councilmember
Councilmember

Jack Tanaka
Ron Everett
Ling-Ling Chang
Carol Herrera
Steve Tye

City Manager
Assistant City Manager
City Clerk

James DeStefano
David Doyle
Tommye Cribbins

Director of:
Community Services
Community Development
Finance
Information Systems
Public Works

Bob Rose
Greg Gubman
Dianna Honeywell
Ken Desforjes
David Liu

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Diamond Bar, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Diamond Bar, California, (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Diamond Bar, California, as of June 30, 2013, and, the respective changes



To the Honorable Mayor and Members of the City Council
City of Diamond Bar, California

in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal



To the Honorable Mayor and Members of the City Council
City of Diamond Bar, California

control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Brea, California
November 15, 2013

THIS PAGE INTENTIONALLY LEFT BLANK

Management's Discussion and Analysis

As management of the City of Diamond Bar, we offer readers of the City of Diamond Bar's financial statements this narrative overview and analysis of the financial activities of the City of Diamond Bar for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The total revenues and other financing sources from all sources equaled \$26,256,051.
- The total cost of all City programs equaled \$31,031,240.
- The assets of the City of Diamond Bar exceeded its liabilities at the close of the fiscal year by \$402,430,513 (*net position*). Of this amount, \$18,508,423 represents unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Diamond Bar's governmental funds reported combined ending fund balances of \$22,947,509, an increase of \$1,224,118 (after a restatement of prior years in the amount of \$44,442) in comparison with the prior year. Approximately \$13.0 million of the \$22.9 million is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$13,010,385, or nearly 72% of the amount of general fund expenditures. The General Fund unrestricted balance of \$13.0 million is in addition to a \$4.5 million reserve for emergencies as established by City Council resolution.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Diamond Bar's basic financial statements. The City of Diamond Bar's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The *government –wide financial statements* are designed to provide readers with a broad overview of the City of Diamond Bar's finances, in a manner similar to a private-sector business.

The ***statement of net position*** presents information on all of the City of Diamond Bar's assets, liabilities and deferred inflows/outflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Diamond Bar is improving or deteriorating.

The ***statement of activities*** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Diamond Bar that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Diamond Bar include general government, public safety, highways and streets, community development, and parks and recreation. The City of Diamond Bar currently has no business-type activities or enterprise funds.

The government-wide financial statements include not only the City of Diamond Bar itself, but also a legally separate financing authority. Although legally separate, the Diamond Bar Financing Authority is included because the City is financially accountable for it.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Diamond Bar, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds, and proprietary funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, available at the end of the fiscal year. Such information may be useful in assessing the near-term financing requirements necessary to finance City programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impacts of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Diamond Bar adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds – The type of *proprietary funds* that the City maintains are internal service funds that are used to allocate costs internally among the various functions of the City. The City of Diamond Bar uses these funds to account for its liability insurance costs and vehicle and computer replacement costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* within the government-wide financial statements.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required *supplementary information* concerning the City's budgetary control and accounting and expenditures in excess of appropriations.

Government-wide Financial Analysis

As mentioned earlier, net position may serve over time as a useful indicator of the City's financial position. The City of Diamond Bar's assets exceeded liabilities by \$402,430,513 at the close of 2013. (see Table 1)

By far the largest portion of the City's net position (94 percent) is its investment in capital assets (e.g., land, buildings, infrastructure, machinery, equipment, and construction in progress), less the related outstanding debt used to acquire those assets. The City of Diamond Bar uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
CITY OF DIAMOND BAR'S
Statement of Net Position

	Governmental Activities	
	2013	2012
Current and other assets	\$28,419,412	\$28,061,069
Capital assets	389,876,038	394,374,163
Total Assets	418,295,450	422,435,232
Long-term debt outstanding	12,301,447	12,000,543
Other Liabilities	3,563,490	4,574,143
Total Liabilities	15,864,937	16,574,686
Net position:		
Net investment in capital assets	378,511,311	382,660,310
Restricted	5,410,779	4,911,745
Unrestricted	18,508,423	18,288,491
Total Net Position	\$402,430,513	\$405,860,546

The City's net position decreased by \$3,430,033, which includes a restatement of net position in the amount of \$1,345,156. This decrease is primarily due to higher depreciation expense which reduces net position

At the end of fiscal year 2013 the City reports an increase of \$219,932 in the unrestricted net position from the prior fiscal year. The City has continually expended its resources conservatively in anticipation of economic downturns and future capital needs which has resulted in being able to end the year with \$18,508,423 in Unrestricted Net Position.

Table 2
City of Diamond Bar's
Changes in Net Position

	2013	2012
Revenues:		
Program revenues:		
Charges for services	\$6,153,683	\$6,055,535
Operating grants and contributions	4,024,537	4,992,856
Capital grants and contributions	690,732	1,242,636
General Revenues		
Property taxes	4,080,273	3,951,722
Transient occupancy taxes	782,952	692,162
Sales Taxes	3,546,239	3,397,259
Franchise Taxes	1,465,666	1,415,924
Other taxes	333,250	202,951
Motor vehicle in lieu	4,659,994	4,646,985
Use of money & property	6,307	145,408
Other	533,475	46,342
Loss on Disposal of Capital Asset	(21,057)	-
Total revenues	26,256,051	26,789,780
Expenses:		
General Government	6,942,983	6,384,072
Public Safety	5,831,227	6,104,982
Highways and Streets	10,197,098	11,248,137
Community Development	1,980,646	2,126,906
Parks, Recreation and Culture	5,591,917	5,559,427
Interest and Fiscal Charges	487,369	848,976
Total expenses	31,031,240	32,272,500
Increase(Decrease) in net position	(4,775,189)	(5,482,720)
Net position - beginning	405,860,546	410,783,597
Restatement of Net Position	1,345,156	559,669
Net position - ending	\$402,430,513	\$405,860,546

Revenues

In the Statement of Activities, the City's total revenues were \$26.3 million, while the total cost of all programs and services was \$31.0 million. Revenues this fiscal year were 2.0% lower than those of the prior year. There were increases and decreases across the revenue categories which resulted in the overall change in revenue. The following are highlights of some of the major differences:

- As expected, Property Tax revenues were up from FY11-12. This was due to the housing market continuing to improve which afforded greater inflation/Proposition 13 based adjustments. Housing sales also continued to increase which allowed the County to increase overall assessed valuations by 2.24% during 2012 and they are anticipated to increase 4.23% during 2013.

- Transient Occupancy Taxes grew by 13.1% in FY 12/13 as the local economy stabilized and business and vacation travel continued to increase.
- Sales tax revenues were up about 4.4% due to continued improvement in the local economy.
- Investment Income decreased by 20.0%, excluding the fair market value adjustment of \$116,309, due to significantly lower investment yields available in the bond market. With the Federal Reserve's stimulus plan in place for all of FY 2012/13, it was increasingly difficult to find yields over 1.0% on 5 year bonds and the Local Agency Investment Fund (LAIF) rate was at record lows, near 0.25%, much of the year. By the end of FY 12/13 the City's overall investment yield decreased from 0.82% in FY 2011/12 to 0.74% in FY 2012/13.

Expenses

Once again this year, the City has continued to be very diligent in controlling growth in expenditures. This year expenditures for the City totaled \$31.0 million which is approximately \$1.2 million, or 3.8% lower than the previous fiscal year. This decrease was due in part to one time expenditures reflected as follows:

- There was an increase in General Government expenditures of approximately 8.8% this year. This was due primarily to an increase in capital outlay projects that were not capitalized but rather expensed.
- There was a decrease in Public Safety expenditures of approximately 4.4% this year. This was due to the fact that the Community Relations Officer position was vacant for the entire FY 2012/13 due to the retirement of the officer. The position has been filled for FY 2013/14.
- The Streets and Highways category was lower this year by a little over \$1.0 million. This is due to a decrease in the number of Capital Improvement projects completed during the fiscal year.
- Community Development expenditures were lower in 2012/13 by \$146,000. The decrease reflects staff vacancies that occurred during the year.
- Due to record low interest rates in 2011, the City refinanced the variable rate debt into a fixed rate on December 1, 2011. During FY 2010/11 there was increased interest expense on the long term debt coupled with one time bond issuance costs. This year's interest and fiscal charges are lower due to the absence of one-time costs that were recorded last year.

Financial Analysis of the City's Funds

As noted earlier the City of Diamond Bar uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the City of Diamond Bar's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

At June 30, 2013, the City of Diamond Bar's governmental funds reported combined ending fund balances of \$22,947,509, an increase of \$1,224,118 in comparison with the prior year. Approximately 56.7% of this amount (\$13,006,919) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted or assigned to indicate that it is 1) not in spendable form (\$27,081), 2) restricted for particular purposes (\$5,410,779) or 3) assigned for particular purposes (\$4,502,730).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$13,010,385, while the total fund balance was \$17,536,716. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 72.0% of total general fund expenditures, while total fund balance represents 97.0% of the same amount.

Since the City's incorporation in 1989, the City has been fiscally conservative contributing to healthy fund balance reserves. Several years ago the City chose to fund major maintenance projects from General Fund reserves when other funds were not available for this purpose. This fiscal year General Fund Reserves increased \$347,960 (net of a \$44,442 prior period adjustment).

Factors contributing to the change in General Fund balance reserves are as follows:

- General Fund revenues were up significantly (\$902,000) from FY11/12. The largest increase was in the Taxes category, primarily due to an increase in property tax, sales tax and franchise tax revenues. Permit revenue was also up due to increased volume in building activity.
- The use of money and property category indicates negative General Fund revenue. This is due to the fact that governments are required by the Governmental Accounting Standards Board (GASB) to mark their investments held in their portfolios up or down to the current

market value at June 30th each fiscal year. As previously stated, interest rates and market values were down during the year; therefore, the City had to offset the actual interest revenue earned by the unrealized loss in the portfolio. It is the City's policy to hold all investments until maturity or sell them only when it can realize a gain. Due to the City's practice, it is highly unlikely that these losses would ever be realized.

- For the past few years the City has been struggling with three landscape and lighting assessment districts which continue to see rising utility and maintenance costs. The assessments for these districts have not been adjusted to keep up with the cost of maintaining these districts. The general fund has continued to subsidize these districts while the City Council considers various options to make these districts self sustaining.
- Costs were lower this year in the General Fund as compared to last year due primarily to the fact that last year's numbers included one-time use of General Fund Reserves for the completion of the new City Hall building. FY 2012/13 expenditures are more typical of an average year for the City.
- Conservative expenditure budgets over the years have contributed to the City's general fund healthy fund balance reserve. This includes a contract city business model which aides the City in containing costs.

The Capital Projects Fund ended the year with a fund balance of \$2,730 as opposed to a negative of \$332,407 in the previous year. Ideally this fund should carry a zero fund balance. Capital project expenditures are accounted for in this fund along with their offsetting revenues and transfers. Due to revenue and expenditure accruals, it is not unusual for the fund to carry a negative balance since many of the capital improvement projects are funded with reimbursable grants.

General Fund Budgetary Highlights

Original revenue budget projections were increased during the year by 3.5% to reflect the improvement in the local economy and an increase in tax revenues due to the uptick in the housing market. The actual revenue came in lower than anticipated by \$504,021.

The General Fund Taxes category includes property tax, sales tax, franchise tax and property transfer tax. These revenues came in \$355,170 more than anticipated. The variance between the amount budgeted and the amount received is due to growth in all components of this category.

There is a large variance in the Intergovernmental category due to the anticipated reimbursement from the County of Los Angeles, for expenditures related to the construction of the Library that was carried over from the prior year and not realized during the year. Originally, it was characterized in the budget as revenue when it really should have been characterized as a receivable on the Balance Sheet. The corresponding expenditures were also re-categorized. Additionally, the City did not sell any Proposition A revenue and convert it to General Fund revenue. These two items account for the \$1.6 million that was originally anticipated in the General Fund.

General Fund appropriations were increased during the year by \$2,054,472 or 10.1% from the original budget to the amended budget. The final expenditures actually came in \$2,322,725 less than the amended budget due to the previously mentioned reclassification of expenditures carried over for the building improvements made to the Library. Additional explanations for the difference between budget and actual expenditures include salary savings from staff vacancies, various studies and projects which were either postponed or cancelled and overall cost saving measures implemented by all departments.

Capital Asset and Debt Administration

Capital assets - The City of Diamond Bar’s investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$389,876,038 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and fixtures, vehicles and equipment, infrastructure and construction in progress.

Table 3
City of Diamond Bar
Capital Assets
(net of depreciation)

	2013	2012
Land	\$6,587,349	\$6,587,349
Right of Way	265,614,104	265,614,104
Buildings and Improvements	24,719,493	24,763,259
Furniture and Fixtures	960,421	1,229,664
Vehicles & Equipment	829,352	1,152,575
Infrastructure	90,757,435	93,693,637
Construction in Progress	407,884	1,333,575
	<u>\$389,876,038</u>	<u>\$394,374,163</u>

The City’s capital assets decreased in value \$4,498,125 during FY12/13. This decrease was due primarily to depreciation expense.

Construction in progress at the end of the year included four projects in various stages of design or construction. The four projects equaling \$407,884 include median projects, drainage and erosion control projects, and a curb ramp installation project.

Additional information on the City’s capital assets can be found in note 5.

Long-term debt – At the end of the current fiscal year, the City of Diamond Bar’s total long-term debt equaled \$12,301,447. Of this amount \$306,687 is the City’s Net OPEB obligation. At this time the City is using a pay as you go methodology for funding its OPEB. The City’s long-term debt includes the net OPEB obligation which is the difference between the amounts paid on the pay as you go basis versus the actuarially computed Annual Required Contribution. The following table shows the breakdown of the long-term debt outstanding:

Variable Rate Lease Revenue Bonds (backed by the Public Financing Authority)	\$ 11,135,000
Unamortized Bond Premium	229,727
CJIPA General Liability Deposit	88,598
Compensated Absences	541,435
Net OPEB Obligation	306,687
	<u>\$ 12,301,447</u>

See footnote 6 for additional information on the City’s long-term liabilities as of June 30, 2013.

Economic Factors and Next Year’s Budgets and Rates

While the City maintains a diverse and upscale housing stock, the City’s economy is equally dependent on commercial and retail revenues. The City’s concentration on maintaining and attracting new business clientele is of utmost importance.

The City’s 2013/2014 budget is a fiscally conservative budget. As the economy continues to improve, anticipated revenues in the General Fund reflect moderate yet realistic growth. The ongoing operations budget has been maintained at the status quo as much as possible. This budget presents an operating plan that permits the City to live within a reasonable estimate of revenues while continuing to provide community programs and services to the residents of the City of Diamond Bar.

The City has made a conscientious decision to use some general fund balance reserves for economic development purposes. As a result, the FY 13/14 budget includes an appropriation for economic development. It is anticipated that these efforts will continue to be rewarded in the near future with the development of several new retail spaces.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City of Diamond Bar's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, at the City of Diamond Bar, 21810 Copley Drive, Diamond Bar, California 91765.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF DIAMOND BAR

STATEMENT OF NET POSITION
 JUNE 30, 2013

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 26,051,238
Receivables:	
Accounts	513,489
Notes and loans	349,509
Accrued interest	34,363
Prepaid costs	28,454
Due from other governments	1,425,056
Restricted assets:	
Cash with fiscal agent	15,003
Due from employees	2,300
Capital assets not being depreciated	272,609,337
Capital assets, net of depreciation	<u>117,266,701</u>
 Total Assets	 <u>418,295,450</u>
 Liabilities:	
Accounts payable	1,705,332
Accrued liabilities	321,895
Accrued interest	38,746
Unearned revenue	58,958
Deposits payable	1,087,758
Due to other governments	349,509
Retentions Payable	1,292
Noncurrent liabilities:	
Due within one year	757,288
Due in more than one year	<u>11,544,159</u>
 Total Liabilities	 <u>15,864,937</u>
 Net Position:	
Net investment in capital assets	378,511,311
Restricted for:	
Community development projects	1,084,434
Public safety	196,503
Public works	3,964,252
Capital projects	165,587
Debt service	3
Unrestricted	<u>18,508,423</u>
 Total Net Position	 <u>\$ 402,430,513</u>

CITY OF DIAMOND BAR

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

	Program Revenues			Net (Expenses)	
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
				Governmental Activities	
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 6,942,983	\$ 160,379	\$ -	\$ -	\$ (6,782,604)
Public safety	5,831,227	1,167,012	167,795	-	(4,496,420)
Community development	1,980,646	532,742	324,639	-	(1,123,265)
Parks, recreation and culture	5,591,917	1,689,497	170,189	233,692	(3,498,539)
Highways and Streets	10,197,098	2,604,053	3,361,914	457,040	(3,774,091)
Interest on long-term debt	487,369	-	-	-	(487,369)
Total Primary Government	\$ 31,031,240	\$ 6,153,683	\$ 4,024,537	\$ 690,732	(20,162,288)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					4,080,273
Transient occupancy taxes					782,952
Sales taxes					3,546,239
Franchise taxes					1,465,666
Other taxes					333,250
Motor vehicle in lieu - unrestricted					4,659,994
Use of money and property					6,307
Other					533,475
Loss on disposal of capital asset					(21,057)
Total General Revenues					15,387,099
Change in Net Position					(4,775,189)
Net Position at Beginning of Year					405,860,546
Restatement of Net Position					1,345,156
Net Position at End of Year					\$ 402,430,513

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund has been classified as a major fund and is used to account for resources traditionally associated with government, which are not legally or by sound financial management to be accounted for in another fund.

CAPITAL PROJECT FUND

The Capital Improvement Fund has been classified as a major fund and is used to account for receipts and expenditures of money for construction of various projects.

CITY OF DIAMOND BAR

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>General</u>	<u>Capital Projects Funds Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Pooled cash and investments	\$ 18,929,086	\$ -	\$ 5,527,221	\$ 24,456,307
Receivables:				
Accounts	376,693	-	121,166	497,859
Notes and loans	-	-	349,509	349,509
Accrued interest	34,363	-	-	34,363
Prepaid costs	26,331	-	750	27,081
Due from other governments	1,007,329	70,314	347,413	1,425,056
Due from other funds	95,411	-	-	95,411
Due from employees	2,300	-	-	2,300
Restricted assets:				
Cash and investments with fiscal agents	15,000	-	3	15,003
Total Assets	<u>\$ 20,486,513</u>	<u>\$ 70,314</u>	<u>\$ 6,346,062</u>	<u>\$ 26,902,889</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,194,121	\$ 42,978	\$ 431,447	\$ 1,668,546
Accrued liabilities	305,158	-	16,737	321,895
Unearned revenues	-	-	58,958	58,958
Deposits payable	1,087,758	-	-	1,087,758
Due to other governments	-	-	349,509	349,509
Due to other funds	-	14,063	81,348	95,411
Retentions payable	-	1,292	-	1,292
Total Liabilities	<u>2,587,037</u>	<u>58,333</u>	<u>937,999</u>	<u>3,583,369</u>
Deferred Inflows of Resources:				
Unavailable revenues	362,760	9,251	-	372,011
Total Deferred Inflows of Resources	<u>362,760</u>	<u>9,251</u>	<u>-</u>	<u>372,011</u>
Fund Balances:				
Nonspendable:				
Prepaid costs	26,331	-	750	27,081
Restricted for:				
Community development projects	-	-	1,084,434	1,084,434
Public safety	-	-	196,503	196,503
Highways and streets	-	-	3,964,252	3,964,252
Capital Projects	-	-	165,587	165,587
Debt service	-	-	3	3
Assigned to:				
Capital Projects	-	2,730	-	2,730
Emergency contingencies	4,500,000	-	-	4,500,000
Unassigned	13,010,385	-	(3,466)	13,006,919
Total Fund Balances	<u>17,536,716</u>	<u>2,730</u>	<u>5,408,063</u>	<u>22,947,509</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,486,513</u>	<u>\$ 70,314</u>	<u>\$ 6,346,062</u>	<u>\$ 26,902,889</u>

CITY OF DIAMOND BAR

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Fund balances of governmental funds		\$ 22,947,509
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		389,525,896
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (11,135,000)	
Unamortized bond premiums/discounts	(229,727)	
Compensated Absences	(541,435)	
Other post employment benefit obligation	<u>(306,687)</u>	(12,212,849)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(38,746)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		372,011
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>1,836,692</u>
Net Position of governmental activities		<u>\$ 402,430,513</u>

CITY OF DIAMOND BAR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	General	Capital Projects Funds Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 10,200,419	\$ -	\$ 550,609	\$ 10,751,028
Licenses and permits	1,212,488	-	26,138	1,238,626
Intergovernmental	4,659,994	408,481	5,358,877	10,427,352
Charges for services	1,689,497	-	1,548,668	3,238,165
Use of money and property	(6,087)	-	36,203	30,116
Fines and forfeitures	522,142	-	-	522,142
Miscellaneous	551,710	-	-	551,710
Total Revenues	18,830,163	408,481	7,520,495	26,759,139
Expenditures:				
Current:				
General government	4,214,834	-	-	4,214,834
Public safety	5,667,176	-	11,438	5,678,614
Community development	1,469,061	-	540,979	2,010,040
Parks and recreation	3,984,553	-	65,608	4,050,161
Public works	2,372,321	-	2,890,725	5,263,046
Capital outlay	365,174	2,664,079	1,915	3,031,168
Debt service:				
Principal retirement	-	-	335,000	335,000
Interest and fiscal charges	-	-	502,291	502,291
Total Expenditures	18,073,119	2,664,079	4,347,956	25,085,154
Excess (Deficiency) of Revenues Over (Under) Expenditures	757,044	(2,255,598)	3,172,539	1,673,985
Other Financing Sources (Uses):				
Transfers in	1,611,614	2,590,735	993,543	5,195,892
Transfers out	(2,020,698)	-	(3,669,503)	(5,690,201)
Total Other Financing Sources (Uses)	(409,084)	2,590,735	(2,675,960)	(494,309)
Net Change in Fund Balances	347,960	335,137	496,579	1,179,676
Fund Balances, Beginning of Year, as previously reported	17,144,314	(332,407)	4,911,484	21,723,391
Restatements	44,442	-	-	44,442
Fund Balances, Beginning of Year, as restated	17,188,756	(332,407)	4,911,484	21,767,833
Fund Balances, End of Year	\$ 17,536,716	\$ 2,730	\$ 5,408,063	\$ 22,947,509

CITY OF DIAMOND BAR

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013**

Net change in fund balances - total governmental funds \$ 1,179,676

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Expenditures	\$ 1,099,358	
Depreciation Expense	(7,054,522)	
Loss on disposal of capital assets	<u>(21,057)</u>	(5,976,221)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments	335,000	
Amortization of bond premium	14,126	
CJPIA General Liability Cumulative Deposit	235,647	
Other post employment benefit obligation	(64,454)	
Compensated Absences	<u>9,663</u>	529,982

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 796

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (489,985)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. (19,437)

Change in net position of governmental activities \$ (4,775,189)

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$17,188,756	\$ 17,188,756	\$17,188,756	\$ -
Resources (Inflows):				
Taxes	9,751,904	9,845,249	10,200,419	355,170
Licenses and permits	1,033,217	1,133,217	1,212,488	79,271
Intergovernmental	4,826,700	6,268,514	4,659,994	(1,608,520)
Charges for services	1,804,787	1,767,884	1,689,497	(78,387)
Use of money and property	182,000	167,000	(6,087)	(173,087)
Fines and forfeitures	486,000	504,000	522,142	18,142
Miscellaneous	13,000	70,300	551,710	481,410
Transfers in	1,567,659	1,189,634	1,611,614	421,980
Amounts Available for Appropriation	36,854,023	38,134,554	37,630,533	(504,021)
Charges to Appropriation (Outflow):				
General government				
City Council	177,630	177,630	156,874	20,756
City Attorney	285,000	285,000	243,296	41,704
City Manager/Clerk	1,018,554	917,476	897,885	19,591
Finance	432,183	439,683	415,452	24,231
Human resources	258,248	281,913	226,252	55,661
Information systems	746,259	1,175,259	1,064,687	110,572
General government	466,640	416,165	340,171	75,994
Public information	555,565	555,565	523,995	31,570
Civic Center	450,315	487,250	346,222	141,028
Subtotal general government	4,390,394	4,735,941	4,214,834	521,107
Public safety				
Law Enforcement	5,801,683	5,869,983	5,482,924	387,059
Fire Protection	7,500	7,500	-	7,500
Animal Control	143,141	143,141	128,587	14,554
Emergency preparedness	59,640	59,640	55,665	3,975
Subtotal public safety	6,011,964	6,080,264	5,667,176	413,088
Community development	1,643,562	1,735,331	1,469,061	266,270
Parks, recreation, and culture	3,988,153	4,060,651	3,984,553	76,098
Highways and streets	2,484,803	2,656,360	2,372,321	284,039
Capital outlay	140,500	915,256	365,174	550,082
Transfers out	1,702,694	2,232,739	2,020,698	212,041
Total Charges to Appropriations	20,362,070	22,416,542	20,093,817	2,322,725
Budgetary Fund Balance, June 30	\$16,491,953	\$ 15,718,012	\$17,536,716	\$ 1,818,704

CITY OF DIAMOND BAR

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2013

	Governmental Activities- Internal Service Funds
Assets:	
Current:	
Cash and investments	\$ 1,594,931
Receivables:	
Accounts	15,630
Prepaid costs	1,373
	<u>1,611,934</u>
Total Current Assets	1,611,934
Noncurrent:	
Capital assets - net of accumulated depreciation	<u>350,142</u>
	350,142
	350,142
	\$ 1,962,076
Liabilities and Net Position:	
Liabilities:	
Current:	
Accounts payable	<u>\$ 36,786</u>
	36,786
Total Current Liabilities	36,786
Noncurrent:	
CJPIA Retrospective Deposit Payable	<u>88,598</u>
	88,598
Total Noncurrent Liabilities	88,598
Total Liabilities	125,384
Net Position:	
Net investment in capital assets	350,142
Unrestricted	<u>1,486,550</u>
Total Net Position	1,836,692
	\$ 1,962,076
Total Liabilities and Net Position	\$ 1,962,076

CITY OF DIAMOND BAR

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013

	Governmental Activities- Internal Service Funds
Operating Revenues:	
Sales and service charges	\$ 8,985
Miscellaneous	-
	<hr/>
Total Operating Revenues	8,985
	<hr/>
Operating Expenses:	
Source of supply	498,857
Pumping	5,374
Depreciation expense	26,454
	<hr/>
Total Operating Expenses	530,685
	<hr/>
Operating Income (Loss)	(521,700)
	<hr/>
Nonoperating Revenues (Expenses):	
Interest revenue	7,954
	<hr/>
Total Nonoperating Revenues (Expenses)	7,954
	<hr/>
Income (Loss) Before Transfers	(513,746)
	<hr/>
Transfers in	494,309
	<hr/>
Changes in Net Position	(19,437)
	<hr/>
Net Position:	
Beginning of Year, as previously reported	1,940,016
	<hr/>
Restatements	(83,887)
	<hr/>
Beginning of Fiscal Year, as restated	1,856,129
	<hr/>
End of Fiscal Year	\$ 1,836,692
	<hr/> <hr/>

CITY OF DIAMOND BAR

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2013

	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:	
Insurance Premiums (paid)/refund received	\$ 93,092
Payments to suppliers	(578,350)
Interfund allocation received	6,838
	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>(478,420)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash transfers in	494,309
	<u> </u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>494,309</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(64,063)
	<u> </u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(64,063)</u>
Cash Flows from Investing Activities:	
Interest received	7,954
	<u> </u>
Net Cash Provided (Used) by Investing Activities	<u>7,954</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(40,220)</u>
Cash and Cash Equivalents at Beginning of Year	1,635,151
	<u> </u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,594,931</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (521,700)
	<u> </u>
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	26,454
(Increase) decrease in accounts receivable	2,347
(Increase) decrease in prepaid expense	(1,373)
Increase (decrease) in accounts payable	(72,746)
Increase (decrease) in retrospective deposit payable	88,598
	<u> </u>
Total Adjustments	<u>43,280</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (478,420)</u>

THIS PAGE INTENTIONALLY LEFT BLANK

Note 1: Reporting Entity and Significant Accounting Policies

a. Description of Reporting Entity

The City of Diamond Bar (the City) was incorporated April 18, 1989, as a "General Law" City governed by an elected five-member city council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Diamond Bar (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City of Diamond Bar's elected officials have a continuing full or partial accountability for fiscal matters of the other entities. The financial reporting entity consists of: (1) the City (2) organizations for which the City is financially accountable; and, (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or when the component unit provides services almost entirely to the City.

Blended Component Units

The Diamond Bar Public Financing Authority (the Authority) was formed on November 19, 2002. The purpose of the Authority is to issue debt to finance public improvements and other capital purchases for the City and Agency. The activity of the Authority is reported in debt service and capital projects funds.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

The government-wide financial statements and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets and liabilities (current and long-term) are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year, which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service funds are charges to departments for services. Operating expenses for the proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, generally only current assets and liabilities are reported in the governmental funds. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and compensated absences which are recognized as expenditures only when payment is due.

Property taxes, taxpayer-assessed taxes, such as sales taxes, gas taxes, and transient occupancy taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period to the extent normally collected within the availability period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

d. Fund Classifications

The City reports the following major governmental funds

The General Fund is the primary operating fund of the City and is used to account for all revenues and expenditures of the City not legally restricted as to use. A broad range of municipal activities are provided through this fund including City Manager, City Attorney, Finance, City Clerk, Public Works, Building and Safety, and Parks and Recreation.

The Capital Improvement Fund has been classified as a major fund and is used to account for receipts and expenditures of money for construction of various projects.

The City's fund structure also includes the following fund types

Proprietary Funds

Internal Service Funds have been established to finance and account for goods and services provided by one City department to other City departments or agencies. These activities include self-insurance, equipment and computer maintenance.

e. Investments

For financial reporting purposes, investments are stated at fair value.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balances.

f. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity (an original maturity date of three months or less from the date of purchase) that they present insignificant risk of changes in value because of changes in interest rates. Cash and cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City. All cash and investments of the proprietary (internal service) funds are pooled with the City's pooled cash and investments and are therefore considered cash equivalents for purposes of the statement of cash flows.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

g. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of contribution. Capital asset purchases (other than infrastructure) in excess of \$5,000 are capitalized if they have an expected useful life of three years or more.

Capital assets include additions to public domain (infrastructure), certain improvements including roads, streets, sidewalks, medians and storm drains within the City. In the fiscal year ended June 30, 2013, the City, with the assistance of an outside consultant, valued and recorded its public domain assets acquired prior to July 1, 2002. The City now has all of its infrastructure asset data valued and recorded in its entirety as of June 30, 2013.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the Government-wide and Proprietary Fund Financial Statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The lives used for depreciation purposes of each capital asset class are:

Buildings and improvements	10 - 20 years
Furniture and fixtures	3 - 5 years
Vehicles and equipment	5 years
Infrastructure	10 - 50 years

h. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

i. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

j. Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

k. Compensated Absences

Vacation and sick leave time begin to accumulate as of the first day of employment to a maximum of 360 hours and 280 hours, respectively. Employees who accumulate sick leave in excess of 200 hours are paid for the excess annually at one half the employees current wage rate.

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it's probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payments, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City.

If an employee retires, resigns, or terminates in good standing with a minimum of five years of service, the employee is entitled to receive 100% of unused sick leave at one half the employees current wage rate.

l. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are received from the County within 60 days after year end.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	January 1
Levy date	July 1
Due dates	November 1 - 1st installment February 1 - 2nd installment
Collection dates	December 10 - 1st installment April 10 - 2nd installment
Delinquent dates	December 11 - 1st installment April 11 - 2nd installment

m. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

n. Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

- Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.
- Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.
- Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Director of Finance is authorized to assign amounts to a specific purpose, which was established by the governing body in resolution.
- Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

The Entity implemented GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65, among other things, amends prior guidance with respect to the treatment of debt issuance costs. Debt issuance costs should be recognized in the period incurred rather than reported on the statement of net position as deferred charges and recognized systematically over the life of the debt. The accounting changes of this statement should be applied retroactively and therefore the Entity has reported a restatement of beginning net position for any unamortized debt issuance costs (deferred charges) previously reported on the statement of net position to conform.

Note 2: Stewardship, Compliance and Accountability

a. Budgetary Data

General Budget Policies

The City adopts an annual budget prepared on the modified accrual basis of accounting for its governmental funds and on the accrual basis of accounting for its proprietary funds. The City manager or his designee is authorized to transfer budgeted amounts between the accounts of any department or funds that are approved by City Council. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the department level. Justice Assistance Grant Fund is not presented in the budgetary comparison schedule.

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

b. At June 30, 2013, the following funds had deficit fund balances:

Other Governmental Funds:	
Landscape Maintenance District Fund	\$ 2,716

Note 3: Cash and Investments

Cash and Investments

Cash and investments at June 30, 2013, consisted of the following:

Statement of Net Position:

Cash and investments	\$ 26,051,238
Cash and investments with fiscal agents	<u>15,003</u>
	<u><u>\$ 26,066,241</u></u>

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 3: Cash and Investments (Continued)

Cash and investments held by the City at June 30, 2013, consisted of the following:

Imprest cash on hand	\$ 1,500
Demand deposits	985,923
Escrow deposits	15,000
Investments:	
United States Government Sponsored Enterprise Securities	15,571,064
Local Agency Investment Fund	9,492,751
Held by Bond Trustee:	
Money Market Mutual Funds	<u>3</u>
	<u>\$ 26,066,241</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Enterprise Securities	5 years	40%	None
Banker's Acceptance	180 days	40%	30%
Time Certificates of Deposits	5 years	None	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Money Market Mutual Funds	5 years	15%	None
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes (1)	5 year	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 40,000,000

(1) Notes must be rated "A" or better

N/A - Not Applicable

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 3: Cash and Investments (Continued)Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	None	None	None
United States Government Sponsored Enterprise Securities	None	10%	None
Banker's Acceptance	1 year	None	None
Time Certificate of Deposits	None	None	None
Local Agency Investment Fund	None	None	None
Money Market Funds	None	None	None
Repurchase Obligations Tax Exempt	30 days	None	None
Taxable Government Money Market Portfolios	None	Equal to six months of principal and interest in the bonds	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 3: Cash and Investments (Continued)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	1 - 3 years	3 - 5 years	
US Government Sponsored Securities	\$ -	\$ 498,565	\$ 7,855,639	\$ 8,354,204
Certificate of Deposits	992,844	2,986,801	3,237,215	7,216,860
Local Agency Investment Fund (LAIF)	9,492,751	-	-	9,492,751
Held by Bond Trustees:				
Money Market Mutual Funds	3	-	-	3
	<u>\$ 10,485,598</u>	<u>\$ 3,485,366</u>	<u>\$ 11,092,854</u>	<u>\$ 25,063,818</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Moody's, as of year-end for each investment type:

Investment Type	Total as of June 30, 2013	Aaa	Unrated
US Government Sponsored Securities	\$ 8,354,204	\$ 8,354,204	\$ -
Certificate of Deposits	7,216,860	7,216,860	-
Local Agency Investment Fund (LAIF)	9,492,751	-	9,492,751
Held by Bond Trustees:			
Money Market Mutual Funds	3	3	-
Total	<u>\$ 25,063,818</u>	<u>\$ 15,571,067</u>	<u>\$ 9,492,751</u>

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments,

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 3: Cash and Investments (Continued)

other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City does not accept 150% of the secured public totals. At June 30, 2013, the City deposits (bank balances) were insured by the Federal Depository Insurance Corporation up to \$250,000 and the remaining balances were collateralized under California Law. The cash and investments held by Bond Trustee are uninsured and uncollateralized.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 4: Interfund Transfers and Due To/From Other Funds

<u>Transfers In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,611,614
Capital Improvement Fund	General Fund	158,115
	Other Governmental Funds	2,432,620
Other Governmental Funds	General Fund	993,543
Internal Service Funds	General Fund	494,309
		<u>\$ 5,690,201</u>

Transfers to the General Fund from the Other Governmental Funds were made to reimburse the General Fund for various capital projects and administrative expenditures.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 4: Interfund Transfers and Due To/From Other Funds (Continued)

Transfers from the General Fund to the Other Governmental were made to provide for debt service payments and the transfer to the Internal Service funds was made to provide for the annual contribution of the Liability Program of the fiscal year 2012-13. The transfer from the General Fund to the Public Financing Authority Fund was made to fund the principal and interest payments for the bond issued under the Public Financing Authority.

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 81,348
General Fund	Capital Improvement Fund	14,063
		<u>\$ 95,411</u>

Short-term borrowings were made from the General Fund to the Capital Improvement Fund and Other Governmental Funds due to negative cash. This is expected to be repaid in the immediate future with reimbursements.

Note 5: Capital Assets

A summary of changes in the Governmental Activities capital assets at June 30, 2013, is as follows:

	Balance at July 1, 2012	Adjustments	Adjusted Balance July 1, 2012	Transfers	Additions	Deletions	Balance at June 30, 2013
Capital assets not being depreciated:							
Land	\$ 6,587,349	\$ -	\$ 6,587,349	\$ -	\$ -	\$ -	\$ 6,587,349
Right of way	265,614,104	-	265,614,104	-	-	-	265,614,104
Construction in progress	1,333,575	-	1,333,575	(1,707,715)	782,024	-	407,884
Total Capital Assets Not being Depreciated	<u>273,535,028</u>	<u>-</u>	<u>273,535,028</u>	<u>(1,707,715)</u>	<u>782,024</u>	<u>-</u>	<u>272,609,337</u>
Capital assets being depreciated:							
Buildings and improvements	40,115,261	(330,728)	39,784,533	674,662	180,030	-	40,639,225
Furniture and fixtures	1,428,111	-	1,428,111	-	-	-	1,428,111
Vehicles and equipment	2,801,935	(354,984)	2,446,951	-	201,367	404,183	2,244,135
Infrastructure	188,391,084	672,079	189,063,163	1,033,053	-	-	190,096,216
Total Capital Assets being Depreciated	<u>232,736,391</u>	<u>(13,633)</u>	<u>232,722,758</u>	<u>1,707,715</u>	<u>381,397</u>	<u>404,183</u>	<u>234,407,687</u>
Less accumulated depreciation for:							
Buildings and improvements	15,352,002	(1,458,223)	13,893,779	-	2,025,953	-	15,919,732
Furniture and fixtures	198,447	(2,312)	196,135	-	271,555	-	467,690
Vehicles and equipment	1,649,360	4,593	1,653,953	-	143,957	383,127	1,414,783
Infrastructure	94,697,447	1,822	94,699,269	-	4,639,512	-	99,338,781
Total Accumulated Depreciation	<u>111,897,256</u>	<u>(1,454,120)</u>	<u>110,443,136</u>	<u>-</u>	<u>7,080,977</u>	<u>383,127</u>	<u>117,140,986</u>
Total Capital Assets Being Depreciated, Net	<u>120,839,135</u>	<u>1,440,487</u>	<u>122,279,622</u>	<u>1,707,715</u>	<u>(6,699,580)</u>	<u>21,056</u>	<u>117,266,701</u>
Governmental Activities Capital Assets, Net	<u>\$ 394,374,163</u>	<u>\$ 1,440,487</u>	<u>\$ 395,814,650</u>	<u>\$ -</u>	<u>\$ (5,917,556)</u>	<u>\$ 21,056</u>	<u>\$ 389,876,038</u>

Depreciation expense was charged to functions in the Statement of Activities as follows:

General government	\$ 709,510
Public safety	11,754
Highways and streets	4,750,508
Community development	1,582,750
Internal Service Funds depreciation charges to program	26,455
	<u>\$ 7,080,977</u>

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 6: Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Additions	Deletions	Balance at June 30, 2013	Due Within One Year
Bonds payable					
Revenue Bonds	\$ 11,470,000	\$ -	\$ 335,000	\$ 11,135,000	\$ 350,000
CJPIA General Liability Cumulative Deposit Payable	235,647	-	147,049	88,598	-
Compensated absences	551,098	457,074	466,737	541,435	407,288
Net OPEB obligation (Note 10)	242,233	72,644	8,190	306,687	-
Total	<u>\$ 12,498,978</u>	<u>\$ 529,718</u>	<u>\$ 956,976</u>	12,071,720	<u>\$ 757,288</u>
Net unamortized bond premium				<u>229,727</u>	
Net Long-Term Debt				<u>\$ 12,301,447</u>	

Bonds Payable

In December 2002, the Diamond Bar Public Financing Authority issued \$13,755,000 of 2002 Series A Variable Rate Lease Revenue Bonds to finance the construction of a community/senior center project and other public improvements within the City. The bonds are special limited obligations of the Authority payable solely from revenues, consisting primarily of base rental payments paid by the City. The variable interest rate on the bonds are reset on a bi-weekly basis.

In conjunction with the Bonds, the Authority executed a rate cap agreement on December 2, 2002, (the Agreement) with JPMorgan Chase (Counterparty) to minimize debt service cost on the 2002 Lease Revenue Bonds (the Bonds) by setting a cap on the interest rate on the Bonds. Under the Agreement, the Counterparty will pay the Authority an amount equal to the product of: (i) the amount by which the floating rate exceeds 4.5%, (ii) the notional principal amount and (iii) the actual number of days in the calculation period divided by 365 days. The Agreement is for a notional amount equal to the outstanding principal amount of the Bonds and will decline as the principal amount declines. The Agreement terminated on January 1, 2013.

Credit Risk

The Counterparty, JPMorgan Chase, has the following credit ratings of: (i) Standard & Poor's, AA- and (ii) Moody's, Aa2.

Refinancing of the 2002 Series A Lease Revenue Bonds (Community/Senior Center Project)

The 2002 Series A Lease Revenue Bonds were originally issued on December 19, 2002 in the aggregate principal amount of \$13,755,000. Since the date of their initial issuance, the Bonds have borne interest at a Weekly Rate and the regularly scheduled payments of principal of and interest on the Bonds have been payable from the proceeds of draws upon an irrevocable direct-pay letter of credit issued by Union Bank, N.A., formerly known as Union Bank of California, N.A. On December 1, 2011, these Bonds were refinanced and \$12,190,000 was defeased. Subsequently, \$11,790,000 in Bonds were issued with the interest rate converted from a Weekly Rate to a Fixed Rate. The fixed rates range from 3.00% to 5.00% throughout the life of the bond.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 6: Long-Term Liabilities (Continued)

Payments and Associated Debt

As of June 30, 2013, debt service requirements of the Bonds and the Counterparty's payments, assuming current interest rates remain the same for remainder of the term of the Agreement, are as follows.

Year Ending June 30	Fixed Rate Debt		
	Principal	Interest	Total
2014	\$ 350,000	\$ 488,906	\$ 838,906
2015	365,000	478,406	843,406
2016	385,000	467,456	852,456
2017	400,000	455,906	855,906
2018	420,000	435,906	855,906
2019-2023	2,420,000	1,875,181	4,295,181
2024-2028	3,050,000	1,280,006	4,330,006
2029-2033	3,745,000	536,100	4,281,100
Totals	<u>\$ 11,135,000</u>	<u>\$ 6,017,867</u>	<u>\$ 17,152,867</u>

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to \$541,435 at June 30, 2013, is expected to be paid in future years from future resources, typically liquidated from the General Fund.

Note 7: CJPIA Retrospective Deposit Liability

Retrospective deposits and refunds are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year. The formula is designed to adequately cover the cost of claims brought against members and to ensure the overall financial strength and security of the Authority. The formula was developed to be as equitable as possible by taking into consideration both risk exposure and claims experience of individual members. CJPIA has temporarily deferred the payment on retrospective deposits owed to the Authority by members. The payment deferral period extends until July 1, 2013, for the Liability program and July 1, 2015 for the Workers' Compensation program. Retrospective deposit payments are scheduled to resume on these dates. The October 2011 annual retrospective adjustment is included in these balances. The City at June 30, 2013, had a retrospective deposit due of \$88,598.

Optional Payment Plans

When retrospective deposit payments resume as indicated above, members will have the opportunity to select from a variety of optional payment plans. Discounts under the incentive plan are available to members choosing to voluntarily accelerate payment during the deferral period. Subsequent to the year end, the City voluntarily chose to accelerate payment and paid it off in July, 2013.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 7: CJPIA Retrospective Deposit Liability (Continued)

After the deferral period, members choosing from among the optional payment plans will be subject to a moderate annual fee. The fee is intended to provide a means for the Authority to recover otherwise foregone investment earnings and to serve as a minor disincentive for the selection of longer financing terms.

Retrospective Balances will Change Annually.

Retrospective balances will change with each annual computation during the payment deferral period. Member balances may increase or decrease as a result of the most recent year's claim development. Accordingly, some members who chose to pay off their balance in full may be required to pay additional retrospective deposits in the future based on the outcome of actual claim development reflected in subsequent retrospective deposit computations. Conversely, if claim development is favorable then subsequent retrospective adjustments could potentially result in refunds to the member.

More information on the CJPIA retrospective balances can be found on the CJPIA website at CJPIA.org.

Note 8: Liability, Property and Workers' Compensation Protection

The City of Diamond Bar is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of over 120 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

a. Self-Insurance Programs of the Authority

Each member pays an annual contribution (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

With respect to the liability program, claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the

Note 8: Liability, Property and Workers' Compensation Protection (Continued)

formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2012-13 reinsurance contracts the annual aggregate deductible is \$3 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate.

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

b. Purchased Insurance

Pollution Legal Liability Insurance

The City of Diamond Bar participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Diamond Bar. Coverage is on a claims-made basis. There is

Note 8: Liability, Property and Workers' Compensation Protection (Continued)

a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of Diamond Bar participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Diamond Bar property is currently insured according to a schedule of covered property submitted by the City of Diamond Bar to the Authority. City of Diamond Bar property currently has all-risk property insurance protection in the amount of \$31,631,644. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of Diamond Bar purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

c. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2012-13.

The aforementioned information is not included in the accompanying financial statements. Complete financial statements for the Authority may be obtained at their administrative office located at 8081 Moody Street, La Palma, California 90623.

Note 9: Pension Plan

Plan Description

The City of Diamond Bar participates in the Miscellaneous 2% at 55 Risk Pool of the California Public Employee's Retirement System (PERS), a cost-sharing, multiple-employer defined benefit pension plan administered by PERS. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by State statute and District ordinance. Copies of the PERS' annual financial report may be obtained from the PERS Executive Office 400 P Street, Sacramento, California 95814.

Funding Policy

The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS. Active City employees are required to contribute 7% of their annual covered salary to PERS. The City makes the contributions required of City employees on their behalf and for their account

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 9: Pension Plan (Continued)

usually using available resources in the general fund. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The current rate is 11.46% of covered payroll. The City's contributions to CalPERS for the years ending June 30, 2013, 2012 and 2011, were \$318,334, \$309,329 and \$410,342 respectively and were equal to the required contribution for each year.

Plan Description

In connection with the retirement benefits for employees described in Note 10, the City provides post-retirement health care benefits to retirees through the California Public Employees' Retirement System Health Benefits program (the PERS Health program). The program is an agent multiple-employer defined benefit health care plan that provides healthcare insurance for eligible retirees, through the City's group plans, which cover both active and retired employees. Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by qualifying disability retirement status. Retired employees over the age of 65 must join one of the supplemental (Medicare-coordinated) options under the PERS Health Program. Benefits are paid for the lifetime of the retiree. Benefit provisions are established by city ordinance which references state statutes (the Public Employee Medical and Hospital Care Act). The PERS Health Program does not issue a publicly available financial report.

Note 10: Postemployment Benefits Other than Pensions

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years.

Funding Policy

The City sets its monthly contribution rates for health insurance on behalf of all eligible retirees according to the PERS Health Program's statutory minimum (\$112/month for calendar 2012 and \$115/month for calendar 2013, increased in all future years according to the rate of medical inflation). The City pays a 0.36% of premium administrative charge on behalf of all retirees. The City is currently funding this OPEB obligation on a pay-as-you-go basis usually using available resources in the general fund. For the year ended June 30, 2013, the City paid \$8,190 in health care costs for its retirees and their covered dependents.

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 10: Postemployment Benefits Other than Pensions (Continued)

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the PERS Health Program (in thousands):

Annual required contribution	\$ 79,497
Interest on net OPEB obligation	4,845
Adjustment to annual required contribution	<u>(11,698)</u>
Annual OPEB cost (expense)	72,644
Contributions made	<u>8,190</u>
Increase in net OPEB obligation	64,454
Net OPEB obligation - beginning of year	<u>242,233</u>
Net OPEB obligation - end of year	<u><u>\$ 306,687</u></u>

Three-Year Trend Information

For fiscal year 2013, the City's annual OPEB cost (expense) \$72,644 was equal to the ARC. Information on the annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is only available for two fiscal years, as presented below:

Fiscal Year Ended	Annual OPEB Costs	Actual Contributions	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/11	\$ 59,033	\$ 5,772	9.78%	\$ 174,971
6/30/12	74,774	7,512	10.05%	242,233
6/30/13	72,644	8,190	11.27%	306,687

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The information is as of the latest actuarial valuation.

Type of Valuation	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Percent of Covered Payroll	Interest Rate
Actual	7/1/2008	\$ -	\$ 402,007	0.0%	\$ 3,936,516	10.99%	5.00%
Actual	7/1/2011	-	502,013	0.0%	3,959,573	12.68%	5.00%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 10: Postemployment Benefits Other than Pensions (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the July 1, 2011, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a discount rate of 5.0% per annum, inflation rate of 3.0%, a rate of return on assets of 5.0% per annum and a healthcare cost trend rate of 8.0% initially, reduced by annual decrements of 1.0% to an ultimate rate of 5.0% after three years. The City's unfunded actuarial accrued liability will be amortized as a level dollar over an open period of 30 years.

Note 11: Contingencies

The City is presently involved in other matters of litigation that have arisen in the normal course of the City's business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to have a material adverse financial impact on the City.

Note 12: Construction Commitments

The following material construction commitments existed at June 30, 2013:

Project Name	Expenditures as of June 30, 2013	Remaining Commitments
Park Improvements	\$ 27,750	\$ 27,750
Street Improvements	31,453	1,470,637
Transportation Infrastructure	219,810	900,190
Traffic Control Improvements	15,015	424,985
Misc. Improvements	8,953	940,268
	\$ 302,981	\$ 3,763,830

CITY OF DIAMOND BAR

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 13: Operating Leases

The City leases building and office facilities under non-cancelable operating leases. In January 2012, the City relocated to its new City Hall. However, the City will continue to lease meeting room space for the City Council to conduct its meetings. The total costs for such leases were \$24,300 for the year ended June 30, 2013. The future minimum lease payments for the lease of building and office facilities are as follows:

Year Ending June 30,	
2014	\$ 24,725
2015	25,219
2016	25,724
2017	<u>12,989</u>
Total	<u>\$ 88,657</u>

Note 14: Fund Balance/Net Position Restatements

Major governmental funds:

General Fund

To reverse reimbursement from the County library for various construction costs which were booked into revenue. \$ 44,442

Internal Service Funds

To record prior period restatements/adjustments for various capital assets. (83,163)

To record prior period restatements/adjustments for accumulated depreciation (724)

Government Wide

To write off cost of issuance in the current year due to GASB 65 (139,773)

To record prior period restatements/adjustments for various capital assets. 69,530

To record prior period restatements/adjustments for accumulated depreciation 1,454,844

Total Net Position Restatements \$ 1,345,156

THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds			
	State Gas Tax Fund	Proposition A Transit Fund	Proposition C Transit Fund	Transportation Grant Fund
Assets:				
Pooled cash and investments	\$ 549,708	\$ 882,308	\$ 1,404,350	\$ 363
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	119,542	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 669,250	\$ 882,308	\$ 1,404,350	\$ 363
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 214,040	\$ 93,795	\$ -
Accrued liabilities	-	3,854	4,529	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	217,894	98,324	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	669,250	664,414	1,306,026	363
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	669,250	664,414	1,306,026	363
Total Liabilities and Fund Balances	\$ 669,250	\$ 882,308	\$ 1,404,350	\$ 363

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

(CONTINUED)

	Special Revenue Funds			
	Integrated Waste Management Fund	Traffic Improvement Fund	Air Quality Improvement Fund	Justice Assistance Grant
Assets:				
Pooled cash and investments	\$ 910,644	\$ 475,331	\$ 162,956	\$ -
Receivables:				
Accounts	121,166	-	-	-
Notes and loans	-	-	-	-
Prepaid costs	750	-	-	-
Due from other governments	15,206	-	17,631	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,047,766	\$ 475,331	\$ 180,587	\$ -
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 9,737	\$ -	\$ 15,000	\$ -
Accrued liabilities	7,975	-	-	-
Unearned revenues	15,206	8,417	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	32,918	8,417	15,000	-
Restricted for:				
Community development projects	1,014,848	-	-	-
Public safety	-	-	-	-
Public works	-	466,914	-	-
Capital Projects	-	-	165,587	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,014,848	466,914	165,587	-
Total Liabilities and Fund Balances	\$ 1,047,766	\$ 475,331	\$ 180,587	\$ -

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds			
	Trails & Bikeways Fund	Park and Facility Development Fund	CDBG Fund	COPS Fund
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 94,133
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	349,509	-
Prepaid costs	-	-	-	-
Due from other governments	69,082	97,915	20,453	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 69,082	\$ 97,915	\$ 369,962	\$ 94,133
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 802	\$ -
Accrued liabilities	-	-	379	-
Unearned revenues	-	35,335	-	-
Due to other governments	-	-	349,509	-
Due to other funds	-	62,078	19,270	-
Total Liabilities	-	97,413	369,960	-
Restricted for:				
Community development projects	69,082	502	2	-
Public safety	-	-	-	94,133
Public works	-	-	-	-
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	69,082	502	2	94,133
Total Liabilities and Fund Balances	\$ 69,082	\$ 97,915	\$ 369,962	\$ 94,133

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

(CONTINUED)

	Special Revenue Funds			
	Asset Seizure Fund	CLEEP Fund	Landscape Maintenance District Fund	Measure R Local Return Fund
Assets:				
Pooled cash and investments	\$ 66,254	\$ 36,116	\$ 87,773	\$ 857,285
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	7,584	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 66,254	\$ 36,116	\$ 95,357	\$ 857,285
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 98,073	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	98,073	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	66,254	36,116	-	-
Public works	-	-	-	857,285
Capital Projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	(2,716)	-
Total Fund Balances	66,254	36,116	(2,716)	857,285
Total Liabilities and Fund Balances	\$ 66,254	\$ 36,116	\$ 95,357	\$ 857,285

CITY OF DIAMOND BAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds	Debt Service Funds	
	EECBG Grant Fund	Public Financing Authority	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ -	\$ -	\$ 5,527,221
Receivables:			
Accounts	-	-	121,166
Notes and loans	-	-	349,509
Prepaid costs	-	-	750
Due from other governments	-	-	347,413
Restricted assets:			
Cash and investments with fiscal agents	-	3	3
Total Assets	\$ -	\$ 3	\$ 6,346,062
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 431,447
Accrued liabilities	-	-	16,737
Unearned revenues	-	-	58,958
Due to other governments	-	-	349,509
Due to other funds	-	-	81,348
Total Liabilities	-	-	937,999
Restricted for:			
Community development projects	-	-	1,084,434
Public safety	-	-	196,503
Public works	-	-	3,964,252
Capital Projects	-	-	165,587
Debt service	-	3	3
Unassigned	-	-	(2,716)
Total Fund Balances	-	3	5,408,063
Total Liabilities and Fund Balances	\$ -	\$ 3	\$ 6,346,062

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	State Gas Tax Fund	Proposition A Transit Fund	Proposition C Transit Fund	Transportation Grant Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,371,632	942,893	782,901	712,436
Charges for services	-	1,039,633	-	-
Use of money and property	2,583	3,953	11,297	363
Total Revenues	1,374,215	1,986,479	794,198	712,799
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	65,608	-	-
Public works	-	1,487,488	678,454	-
Capital outlay	-	-	1,915	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	1,553,096	680,369	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,374,215	433,383	113,829	712,799
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,428,869)	-	(463,294)	(712,436)
Total Other Financing Sources (Uses)	(1,428,869)	-	(463,294)	(712,436)
Net Change in Fund Balances	(54,654)	433,383	(349,465)	363
Fund Balances, Beginning of Year	723,904	231,031	1,655,491	-
Fund Balances, End of Year	\$ 669,250	\$ 664,414	\$ 1,306,026	\$ 363

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

(CONTINUED)

	Special Revenue Funds			
	Integrated Waste Management Fund	Traffic Improvement Fund	Air Quality Improvement Fund	Justice Assistance Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	17,546	92,550	67,336	1,264
Charges for services	509,035	-	-	-
Use of money and property	6,240	3,407	1,123	-
Total Revenues	532,821	95,957	68,459	1,264
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	353,509	-	67,739	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	353,509	-	67,739	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	179,312	95,957	720	1,264
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(62,001)	(92,550)	-	-
Total Other Financing Sources (Uses)	(62,001)	(92,550)	-	-
Net Change in Fund Balances	117,311	3,407	720	1,264
Fund Balances, Beginning of Year	897,537	463,507	164,867	(1,264)
Fund Balances, End of Year	\$ 1,014,848	\$ 466,914	\$ 165,587	\$ -

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	Trails & Bikeways Fund	Park and Facility Development Fund	CDBG Fund	COPS Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	26,138	-	-
Intergovernmental	64,462	319,128	300,853	100,000
Charges for services	-	-	-	-
Use of money and property	(30)	1,061	-	717
Total Revenues	64,432	346,327	300,853	100,717
Expenditures:				
Current:				
Public safety	-	-	-	6,295
Community development	-	-	119,731	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	119,731	6,295
Excess (Deficiency) of Revenues Over (Under) Expenditures	64,432	346,327	181,122	94,422
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(45,380)	(356,551)	(181,120)	(82,463)
Total Other Financing Sources (Uses)	(45,380)	(356,551)	(181,120)	(82,463)
Net Change in Fund Balances	19,052	(10,224)	2	11,959
Fund Balances, Beginning of Year	50,030	10,726	-	82,174
Fund Balances, End of Year	\$ 69,082	\$ 502	\$ 2	\$ 94,133

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

(CONTINUED)

	Special Revenue Funds			
	Asset Seizure Fund	CLEEP Fund	Landscape Maintenance District Fund	Measure R Local Return Fund
Revenues:				
Taxes	\$ -	\$ -	\$ 550,609	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	585,876
Charges for services	-	-	-	-
Use of money and property	1,063	289	30	4,010
Total Revenues	1,063	289	550,639	589,886
Expenditures:				
Current:				
Public safety	-	5,143	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	724,783	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	5,143	724,783	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,063	(4,854)	(174,144)	589,886
Other Financing Sources (Uses):				
Transfers in	-	-	156,087	-
Transfers out	(97,173)	-	-	(147,666)
Total Other Financing Sources (Uses)	(97,173)	-	156,087	(147,666)
Net Change in Fund Balances	(96,110)	(4,854)	(18,057)	442,220
Fund Balances, Beginning of Year	162,364	40,970	15,341	415,065
Fund Balances, End of Year	\$ 66,254	\$ 36,116	\$ (2,716)	\$ 857,285

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds	Debt Service Funds	
	EECBG Grant Fund	Public Financing Authority	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 550,609
Licenses and permits	-	-	26,138
Intergovernmental	-	-	5,358,877
Charges for services	-	-	1,548,668
Use of money and property	93	4	36,203
Total Revenues	93	4	7,520,495
Expenditures:			
Current:			
Public safety	-	-	11,438
Community development	-	-	540,979
Parks and recreation	-	-	65,608
Public works	-	-	2,890,725
Capital outlay	-	-	1,915
Debt service:			
Principal retirement	-	335,000	335,000
Interest and fiscal charges	-	502,291	502,291
Total Expenditures	-	837,291	4,347,956
Excess (Deficiency) of Revenues Over (Under) Expenditures	93	(837,287)	3,172,539
Other Financing Sources (Uses):			
Transfers in	168	837,288	993,543
Transfers out	-	-	(3,669,503)
Total Other Financing Sources (Uses)	168	837,288	(2,675,960)
Net Change in Fund Balances	261	1	496,579
Fund Balances, Beginning of Year	(261)	2	4,911,484
Fund Balances, End of Year	\$ -	\$ 3	\$ 5,408,063

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX FUND
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 723,904	\$ 723,904	\$ 723,904	\$ -
Resources (Inflows):				
Intergovernmental	1,590,105	1,371,632	1,371,632	-
Use of money and property	1,800	1,800	2,583	783
Amounts Available for Appropriation	2,315,809	2,097,336	2,098,119	783
Charges to Appropriation (Outflow):				
Transfers out	2,205,282	2,200,966	1,428,869	772,097
Total Charges to Appropriations	2,205,282	2,200,966	1,428,869	772,097
Budgetary Fund Balance, June 30	\$ 110,527	\$ (103,630)	\$ 669,250	\$ 772,880

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A TRANSIT FUND
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 231,031	\$ 231,031	\$ 231,031	\$ -
Resources (Inflows):				
Intergovernmental	845,398	845,398	942,893	97,495
Charges for services	1,200,000	1,200,000	1,039,633	(160,367)
Use of money and property	1,000	1,000	3,953	2,953
Amounts Available for Appropriation	2,277,429	2,277,429	2,217,510	(59,919)
Charges to Appropriation (Outflow):				
General government	200,000	200,000	-	200,000
Parks, recreation and culture	74,100	74,100	65,608	8,492
Highways and Streets	1,678,983	1,678,983	1,487,488	191,495
Transfers out	30,000	-	-	-
Total Charges to Appropriations	1,983,083	1,953,083	1,553,096	399,987
Budgetary Fund Balance, June 30	\$ 294,346	\$ 324,346	\$ 664,414	\$ 340,068

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C TRANSIT FUND
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,655,491	\$ 1,655,491	\$ 1,655,491	\$ -
Resources (Inflows):				
Intergovernmental	701,235	701,235	782,901	81,666
Use of money and property	8,000	8,000	11,297	3,297
Amounts Available for Appropriation	2,364,726	2,364,726	2,449,689	84,963
Charges to Appropriation (Outflow):				
Highways and Streets	703,609	743,384	678,454	64,930
Capital outlay	-	2,362	1,915	447
Transfers out	1,039,000	1,330,498	463,294	867,204
Total Charges to Appropriations	1,742,609	2,076,244	1,143,663	932,581
Budgetary Fund Balance, June 30	\$ 622,117	\$ 288,482	\$ 1,306,026	\$ 1,017,544

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION GRANT FUND
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	2,242,000	2,242,000	712,436	(1,529,564)
Use of money and property	-	-	363	363
Amounts Available for Appropriation	2,242,000	2,242,000	712,799	(1,529,201)
Charges to Appropriation (Outflow):				
Transfers out	2,242,000	2,242,000	712,436	1,529,564
Total Charges to Appropriations	2,242,000	2,242,000	712,436	1,529,564
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 363	\$ 363

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
INTEGRATED WASTE MANAGEMENT FUND
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 897,537	\$ 897,537	\$ 897,537	\$ -
Resources (Inflows):				
Intergovernmental	20,000	20,000	17,546	(2,454)
Charges for services	500,000	500,000	509,035	9,035
Use of money and property	3,000	3,000	6,240	3,240
Amounts Available for Appropriation	1,420,537	1,420,537	1,430,358	9,821
Charges to Appropriation (Outflow):				
Community development	436,310	470,300	353,509	116,791
Transfers out	62,001	62,001	62,001	-
Total Charges to Appropriations	498,311	532,301	415,510	116,791
Budgetary Fund Balance, June 30	\$ 922,226	\$ 888,236	\$ 1,014,848	\$ 126,612

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 463,507	\$ 463,507	\$ 463,507	\$ -
Resources (Inflows):				
Intergovernmental	-	-	92,550	92,550
Use of money and property	-	-	3,407	3,407
Amounts Available for Appropriation	463,507	463,507	559,464	95,957
Charges to Appropriation (Outflow):				
Highways and streets	107,150	112,148	-	112,148
Transfers out	425,544	391,299	92,550	298,749
Total Charges to Appropriations	532,694	503,447	92,550	410,897
Budgetary Fund Balance, June 30	\$ (69,187)	\$ (39,940)	\$ 466,914	\$ 506,854

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 164,867	\$ 164,867	\$ 164,867	\$ -
Resources (Inflows):				
Intergovernmental	71,400	71,400	67,336	(4,064)
Use of money and property	600	600	1,123	523
Amounts Available for Appropriation	236,867	236,867	233,326	(3,541)
Charges to Appropriation (Outflow):				
Community development	69,350	87,203	67,739	19,464
Total Charges to Appropriations	69,350	87,203	67,739	19,464
Budgetary Fund Balance, June 30	\$ 167,517	\$ 149,664	\$ 165,587	\$ 15,923

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
TRAILS & BIKEWAYS FUND
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 50,030	\$ 50,030	\$ 50,030	\$ -
Resources (Inflows):				
Intergovernmental	50,000	50,000	64,462	14,462
Use of money and property	-	-	(30)	(30)
Amounts Available for Appropriation	100,030	100,030	114,462	14,432
Charges to Appropriation (Outflow):				
Transfers out	50,000	50,000	45,380	4,620
Total Charges to Appropriations	50,000	50,000	45,380	4,620
Budgetary Fund Balance, June 30	\$ 50,030	\$ 50,030	\$ 69,082	\$ 19,052

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
PARK AND FACILITY DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,726	\$ 10,726	\$ 10,726	\$ -
Resources (Inflows):				
Licenses and permits	-	-	26,138	26,138
Intergovernmental	207,465	207,465	319,128	111,663
Use of money and property	-	-	1,061	1,061
Amounts Available for Appropriation	218,191	218,191	357,053	138,862
Charges to Appropriation (Outflow):				
Transfers out	319,046	383,837	356,551	27,286
Total Charges to Appropriations	319,046	383,837	356,551	27,286
Budgetary Fund Balance, June 30	\$ (100,855)	\$ (165,646)	\$ 502	\$ 166,148

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG FUND)
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	539,966	539,966	300,853	(239,113)
Amounts Available for Appropriation	539,966	539,966	300,853	(239,113)
Charges to Appropriation (Outflow):				
Community development	227,291	227,291	119,731	107,560
Transfers out	178,505	165,965	181,120	(15,155)
Total Charges to Appropriations	405,796	393,256	300,851	92,405
Budgetary Fund Balance, June 30	\$ 134,170	\$ 146,710	\$ 2	\$ (146,708)

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
CITIZENS OPTION FOR PUBLIC SAFETY (COPS) FUND
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 82,174	\$ 82,174	\$ 82,174	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	100,000	-
Use of money and property	500	500	717	217
Amounts Available for Appropriation	182,674	182,674	182,891	217
Charges to Appropriation (Outflow):				
Public safety	5,000	10,000	6,295	3,705
Transfers out	110,164	110,164	82,463	27,701
Total Charges to Appropriations	115,164	120,164	88,758	31,406
Budgetary Fund Balance, June 30	\$ 67,510	\$ 62,510	\$ 94,133	\$ 31,623

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 ASSET SEIZURE FUND
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 162,364	\$ 162,364	\$ 162,364	\$ -
Resources (Inflows):				
Use of money and property	500	500	1,063	563
Amounts Available for Appropriation	162,864	162,864	163,427	563
Charges to Appropriation (Outflow):				
Transfers out	119,418	119,418	97,173	22,245
Total Charges to Appropriations	119,418	119,418	97,173	22,245
Budgetary Fund Balance, June 30	\$ 43,446	\$ 43,446	\$ 66,254	\$ 22,808

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
 CALIFORNIA LAW ENFORCEMENT EQUIPMENT PROGRAM (CLEEP) FUND
 YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 40,970	\$ 40,970	\$ 40,970	\$ -
Resources (Inflows):				
Use of money and property	200	200	289	89
Amounts Available for Appropriation	41,170	41,170	41,259	89
Charges to Appropriation (Outflow):				
Public safety	10,000	10,000	5,143	4,857
Total Charges to Appropriations	10,000	10,000	5,143	4,857
Budgetary Fund Balance, June 30	\$ 31,170	\$ 31,170	\$ 36,116	\$ 4,946

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
LANDSCAPE MAINTENANCE DISTRICT FUND
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,341	\$ 15,341	\$ 15,341	\$ -
Resources (Inflows):				
Taxes	552,492	552,492	550,609	(1,883)
Use of money and property	-	-	30	30
Transfers in	132,287	153,373	156,087	2,714
Amounts Available for Appropriation	700,120	721,206	722,067	861
Charges to Appropriation (Outflow):				
Highways and Streets	684,779	730,623	724,783	5,840
Total Charges to Appropriations	684,779	730,623	724,783	5,840
Budgetary Fund Balance, June 30	\$ 15,341	\$ (9,417)	\$ (2,716)	\$ 6,701

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 MEASURE R LOCAL RETURN FUND
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 415,065	\$ 415,065	\$ 415,065	\$ -
Resources (Inflows):				
Intergovernmental	525,941	525,941	585,876	59,935
Use of money and property	1,500	1,500	4,010	2,510
Amounts Available for Appropriation	942,506	942,506	1,004,951	62,445
Charges to Appropriation (Outflow):				
Transfers out	877,665	849,092	147,666	701,426
Total Charges to Appropriations	877,665	849,092	147,666	701,426
Budgetary Fund Balance, June 30	\$ 64,841	\$ 93,414	\$ 857,285	\$ 763,871

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 EECBG GRANT FUND
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (261)	\$ (261)	\$ (261)	\$ -
Resources (Inflows):				
Intergovernmental	260,979	260,979	-	(260,979)
Use of money and property	-	-	93	93
Transfers in	-	-	168	168
Amounts Available for Appropriation	260,718	260,718	-	(260,718)
Charges to Appropriation (Outflow):				
Capital outlay	260,979	260,979	-	260,979
Total Charges to Appropriations	260,979	260,979	-	260,979
Budgetary Fund Balance, June 30	\$ (261)	\$ (261)	\$ -	\$ 261

CITY OF DIAMOND BAR

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (332,407)	\$ (332,407)	\$ (332,407)	\$ -
Resources (Inflows):				
Intergovernmental	25,000	27,750	408,481	380,731
Transfers in	6,366,473	6,645,127	2,590,735	(4,054,392)
Amounts Available for Appropriation	6,059,066	6,340,470	2,666,809	(3,673,661)
Charges to Appropriation (Outflow):				
Capital outlay	6,391,473	6,700,599	2,664,079	4,036,520
Total Charges to Appropriations	6,391,473	6,700,599	2,664,079	4,036,520
Budgetary Fund Balance, June 30	\$ (332,407)	\$ (360,129)	\$ 2,730	\$ 362,859

CITY OF DIAMOND BAR

**BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2	\$ 2	\$ 2	\$ -
Resources (Inflows):				
Use of money and property	-	-	4	4
Transfers in	833,981	837,316	837,288	(28)
Amounts Available for Appropriation	833,983	837,318	837,294	(24)
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	335,000	335,000	335,000	-
Interest and fiscal charges	498,981	502,316	502,291	25
Total Charges to Appropriations	833,981	837,316	837,291	25
Budgetary Fund Balance, June 30	\$ 2	\$ 2	\$ 3	\$ 1

CITY OF DIAMOND BAR

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013

	Governmental Activities - Internal Service Funds				Totals
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacemen	Building Facility & Maintenance	
Assets:					
Current:					
Cash and investments	\$ 1,238,718	\$ 218,416	\$ 130,948	\$ 6,849	\$ 1,594,931
Receivables:					
Accounts	13,483	-	-	2,147	15,630
Prepaid costs	1,373	-	-	-	1,373
Total Current Assets	1,253,574	218,416	130,948	8,996	1,611,934
Noncurrent:					
Capital assets - net of accumulated depreciation	-	27,816	322,326	-	350,142
Total Noncurrent Assets	-	27,816	322,326	-	350,142
Total Assets	\$ 1,253,574	\$ 246,232	\$ 453,274	\$ 8,996	\$ 1,962,076
Liabilities and Net Position:					
Liabilities:					
Current:					
Accounts payable	\$ -	\$ -	\$ 36,786	\$ -	\$ 36,786
Total Current Liabilities	-	-	36,786	-	36,786
Noncurrent:					
CJPIA Retrospective Deposit Payable	88,598	-	-	-	88,598
Total Noncurrent Liabilities	88,598	-	-	-	88,598
Total Liabilities	88,598	-	36,786	-	125,384
Net Position:					
Net investment in capital assets	-	27,816	322,326	-	350,142
Unrestricted	1,164,976	218,416	94,162	8,996	1,486,550
Total Net Position	1,164,976	246,232	416,488	8,996	1,836,692
Total Liabilities and Net Position	\$ 1,253,574	\$ 246,232	\$ 453,274	\$ 8,996	\$ 1,962,076

CITY OF DIAMOND BAR

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013

	Governmental Activities - Internal Service Funds				Totals
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacemen	Building Facility & Maintenance	
Operating Revenues:					
Sales and service charges	\$ -	\$ -	\$ -	\$ 8,985	\$ 8,985
Total Operating Revenues	-	-	-	8,985	8,985
Operating Expenses:					
Insurance Premiums	498,857	-	-	-	498,857
Pumping	-	-	5,374	-	5,374
Depreciation expense	-	6,153	20,301	-	26,454
Total Operating Expenses	498,857	6,153	25,675	-	530,685
Operating Income (Loss)	(498,857)	(6,153)	(25,675)	8,985	(521,700)
Nonoperating Revenues (Expenses):					
Interest revenue	5,950	1,576	417	11	7,954
Total Nonoperating Revenues (Expenses)	5,950	1,576	417	11	7,954
Income (Loss) Before Transfers	(492,907)	(4,577)	(25,258)	8,996	(513,746)
Transfers in	404,309	-	90,000	-	494,309
Changes in Net Position	(88,598)	(4,577)	64,742	8,996	(19,437)
Net Position:					
Beginning of Year, as originally reported	1,253,574	237,862	448,580	-	1,940,016
Restatements	-	12,947	(96,834)	-	(83,887)
Beginning of Fiscal Year, as restated	1,253,574	250,809	351,746	-	1,856,129
End of Fiscal Year	\$ 1,164,976	\$ 246,232	\$ 416,488	\$ 8,996	\$ 1,836,692

CITY OF DIAMOND BAR

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013**

	Governmental Activities - Internal Service Funds				
	Self Insurance Fund	Equipment Replacement Fund	Computer Equipment Replacement Fund	Building Facility & Maintenance Fund	Totals
Cash Flows from Operating Activities:					
Insurance Premiums (paid)/refund received	\$ 93,092	\$ -	\$ -	\$ -	\$ 93,092
Payments to suppliers	(500,230)	-	(78,120)	-	(578,350)
Interfund allocation received	-	-	-	6,838	6,838
Net Cash Provided (Used) by Operating Activities	(407,138)	-	(78,120)	6,838	(478,420)
Cash Flows from Non-Capital Financing Activities:					
Cash transfers in	404,309	-	90,000	-	494,309
Net Cash Provided (Used) by Non-Capital Financing Activities	404,309	-	90,000	-	494,309
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	-	-	(64,063)	-	(64,063)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(64,063)	-	(64,063)
Cash Flows from Investing Activities:					
Interest received	5,950	1,576	417	11	7,954
Net Cash Provided (Used) by Investing Activities	5,950	1,576	417	11	7,954
Net Increase (Decrease) in Cash and Cash Equivalents	3,121	1,576	(51,766)	6,849	(40,220)
Cash and Cash Equivalents at Beginning of Year	1,235,597	216,840	182,714	-	1,635,151
Cash and Cash Equivalents at End of Year	\$ 1,238,718	\$ 218,416	\$ 130,948	\$ 6,849	\$ 1,594,931
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (498,857)	\$ (6,153)	\$ (25,675)	\$ 8,985	\$ (521,700)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:					
Depreciation	-	6,153	20,301	-	26,454
(Increase) decrease in accounts receivable	4,494	-	-	(2,147)	2,347
(Increase) decrease in prepaid expense	(1,373)	-	-	-	(1,373)
Increase (decrease) in accounts payable	-	-	(72,746)	-	(72,746)
Increase (decrease) in retrospective deposit payable	88,598	-	-	-	88,598
Total Adjustments	91,719	6,153	(52,445)	(2,147)	43,280
Net Cash Provided (Used) by Operating Activities	\$ (407,138)	\$ -	\$ (78,120)	\$ 6,838	\$ (478,420)
Increase in Fair Value of Investments	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-

THIS PAGE INTENTIONALLY LEFT BLANK

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2013

This part of the City of Diamond Bar's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	Schedules
<u>Financial Trends</u> – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	1 - 4
<u>Revenue Capacity</u> – These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	5 - 8
<u>Debt Capacity</u> – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	9 - 11
<u>Demographic and Economic Information</u> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	12 - 13
<u>Operating Information</u> – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	14 - 16

City of Diamond Bar
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ended June 30,				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:					
Net investment in capital assets	\$ 10,844,807	\$ 10,692,694	\$ 14,593,935	\$ 375,216,400	\$ 370,949,296
Restricted for:					
Capital projects	241,767	3,775,552	3,323,474	3,446,872	2,912,276
Community development		1,398,057	1,296,806	1,013,495	889,176
Public safety					
Public works					
Debt service		245,763	243,697	321,747	309,533
Unrestricted	31,231,827	29,775,169	29,461,178	34,072,884	36,236,504
Total governmental activities net position	<u>\$ 42,318,401</u>	<u>\$ 45,887,235</u>	<u>\$ 48,919,090</u>	<u>\$ 414,071,398</u>	<u>\$ 411,296,785</u>

Source:
 City Finance Department

Schedule 1

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 367,529,907	\$ 377,940,738	\$ 381,985,940	\$ 382,660,310	\$ 378,511,311
3,526,991	2,260,872	146,567	163,603	165,587
568,280	725,667	1,644,861	958,293	1,084,434
541,482	559,920	453,730	285,508	196,503
		3,636,487	3,504,339	3,964,252
305,915	319,815	333,694	2	3
34,554,084	34,215,610	22,582,318	18,288,491	18,508,423
<u>\$ 407,026,659</u>	<u>\$ 416,022,622</u>	<u>\$ 410,783,597</u>	<u>\$ 405,860,546</u>	<u>\$ 402,430,513</u>

City of Diamond Bar
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008
Expenses:					
Governmental activities:					
General government	\$ 3,713,530	\$ 3,997,319	\$ 4,203,123	\$ 4,784,314	\$ 4,473,666
Public safety	4,875,823	4,969,183	5,418,005	4,876,435	4,944,729
Highways and streets	1,365,737	4,622,014	5,240,568	14,019,550	12,034,669
Community development	5,724,606	1,050,025	2,759,718	2,292,757	2,251,196
Parks, recreation and culture	2,580,454	3,814,887	3,737,071	4,779,588	5,188,977
Interest on long-term debt	171,223	270,735	423,320	498,042	392,548
Total general revenues	<u>18,431,373</u>	<u>18,724,163</u>	<u>21,781,805</u>	<u>31,250,686</u>	<u>29,285,785</u>
Program revenues:					
Governmental activities:					
Charges for services					
General Government	225,656	486,925	707,272	262,541	225,553
Public safety	733,902	1,159,264	1,277,170	1,512,195	1,176,931
Highways and streets	529,330	1,328,637	1,555,993	3,493,798	2,851,187
Community development	933,985	7,888	16,841	21,297	23,351
Parks, recreation and culture	610,772	1,147,088	1,260,849	1,385,788	1,581,597
Operating grants and contributions	4,068,446	4,040,785	5,281,308	6,968,824	4,307,074
Capital grants and contributions	261,994		1,150	1,254,314	219,193
Total governmental activities program revenues	<u>7,364,085</u>	<u>8,170,587</u>	<u>10,100,583</u>	<u>14,898,757</u>	<u>10,384,886</u>
General revenues:					
Taxes					
Property taxes	2,717,949	3,191,006	3,555,244	3,754,955	3,927,073
Transient occupancy taxes	628,564	717,879	718,889	774,757	800,390
Sales taxes	3,167,901	3,508,341	3,949,349	3,943,345	4,102,177
Franchise taxes	912,531	941,319	996,567	1,064,621	1,024,710
Other taxes	367,464	413,247	416,423	331,096	283,433
Unrestricted Motor vehicle in lieu	2,716,134	4,386,800	3,663,061	4,356,641	4,563,127
Use of money and property	182,069	532,091	1,051,922	1,476,010	1,420,988
Other revenues	250,250	676,292	361,622	41,362	4,388
Loss on disposal of capital asset					
Total general revenues	<u>10,942,862</u>	<u>14,366,975</u>	<u>14,713,077</u>	<u>15,742,787</u>	<u>16,126,286</u>
Change in net position	(124,426)	3,813,399	3,031,855	(609,142)	(2,774,613)
Net position at beginning of year	40,431,580	42,318,401	45,887,235	414,680,540	414,071,398
Restatement of net position					
Net position at end of year	<u>\$ 40,307,154</u>	<u>\$ 46,131,800</u>	<u>\$ 48,919,090</u>	<u>\$ 414,071,398</u>	<u>\$ 411,296,785</u>

Source:
City Finance Department

Schedule 2

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	5,159,300	\$ 4,973,685	\$ 6,370,986	\$ 6,384,072	\$ 6,942,983
	5,396,083	5,526,099	5,591,049	6,104,982	5,831,227
	13,931,211	12,287,325	10,619,860	11,248,137	10,197,098
	1,959,303	1,624,547	1,969,540	2,126,906	1,980,646
	4,950,687	5,091,215	5,153,264	5,559,427	5,591,917
	177,633	57,948	72,592	848,976	487,369
	<u>31,574,217</u>	<u>29,560,819</u>	<u>29,777,291</u>	<u>32,272,500</u>	<u>31,031,240</u>
	132,262	131,633	118,016	247,248	160,379
	1,017,336	1,014,237	996,409	1,050,851	1,167,012
	1,732,985	2,070,167	2,400,272	2,555,900	2,604,053
	17,602	21,106	517,515	447,951	532,742
	1,705,282	1,754,789	1,829,409	1,753,585	1,689,497
	5,588,818	4,358,895	3,685,378	4,992,856	4,024,537
	2,272,580	15,960,279	40,779	1,242,636	690,732
	<u>12,466,865</u>	<u>25,311,106</u>	<u>9,587,778</u>	<u>12,291,027</u>	<u>10,868,952</u>
	4,001,276	3,837,288	4,187,896	3,951,722	4,080,273
	633,075	569,916	642,509	692,162	782,952
	3,085,223	3,122,229	3,355,127	3,397,259	3,546,239
	1,093,039	1,115,980	1,259,471	1,415,924	1,465,666
	199,365	259,384	172,687	202,951	333,250
	4,687,515	4,599,922	4,766,225	4,646,985	4,659,994
	833,270	618,963	474,598	145,408	6,307
	304,463	7,090	91,975	46,342	533,475
					(21,057)
	<u>14,837,226</u>	<u>14,130,772</u>	<u>14,950,488</u>	<u>14,498,753</u>	<u>15,387,099</u>
	(4,270,126)	9,881,059	(5,239,025)	(5,482,720)	(4,775,189)
	411,296,785	407,026,659	416,022,622	410,783,597	405,860,546
		(885,096)		559,669	1,345,156
	<u>\$ 407,026,659</u>	<u>\$ 416,022,622</u>	<u>\$ 410,783,597</u>	<u>\$ 405,860,546</u>	<u>\$ 402,430,513</u>

THIS PAGE INTENTIONALLY LEFT BLANK

City of Diamond Bar
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund:							
Reserved	\$ 866,843	\$ 1,125,918	\$ 1,310,172	\$ 1,893,287	\$ 1,864,387	\$ 1,612,181	\$ 1,955,477
Unreserved	21,796,659	24,809,721	25,103,444	28,568,263	31,065,127	30,041,357	28,841,621
Total general fund	<u>22,663,502</u>	<u>25,935,639</u>	<u>26,413,616</u>	<u>30,461,550</u>	<u>32,929,514</u>	<u>31,653,538</u>	<u>30,797,098</u>
All other governmental funds:							
Reserved	105,861	5,555,988	2,274,829	3,311,451	5,810,250	2,754,526	1,735,077
Unreserved, reported in:							
Special revenue funds	6,043,352	6,111,202	5,485,933	5,736,366	4,955,552	5,423,979	5,218,642
Debt Service Fund	505,915	274,426					
Capital projects funds	241,767	(5,443,309)	(2,612,373)	(4,681,728)	(5,703,854)	(2,701,642)	(2,020,782)
Total all other governmental funds	<u>6,896,895</u>	<u>6,498,307</u>	<u>5,148,389</u>	<u>4,366,089</u>	<u>5,061,948</u>	<u>5,476,863</u>	<u>4,932,937</u>
Total fund balances	<u>\$ 29,560,397</u>	<u>\$ 32,433,946</u>	<u>\$ 31,562,005</u>	<u>\$ 34,827,639</u>	<u>\$ 37,991,462</u>	<u>\$ 37,130,401</u>	<u>\$ 35,730,035</u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>				
General fund:							
Nonspendable:							
Prepaid costs	\$ 41,451	\$ 28,114	\$ 26,331				
Committed to:							
Emergency contingencies	4,500,000	4,500,000	4,500,000				
Unassigned	16,726,964	12,616,200	13,010,385				
Total general fund	<u>21,268,415</u>	<u>17,144,314</u>	<u>17,536,716</u>				
All other governmental funds:							
Nonspendable:							
Prepaid costs				750			
Restricted for:							
Comm development projects	1,644,861	958,293	1,084,434				
Public safety	453,730	285,508	196,503				
Highways and streets	3,271,595	3,170,407	3,964,252				
Capital Projects	146,567	164,867	165,587				
Debt service	333,694	2	3				
Assigned to:							
Capital Projects				2,730			
Unassigned				(3,466)			
Total all other governmental funds	<u>5,850,447</u>	<u>4,579,077</u>	<u>5,410,793</u>				
Total fund balances	<u>\$ 27,118,862</u>	<u>\$ 21,723,391</u>	<u>\$ 22,947,509</u>				

Note:

The City implemented GASB 54, titled "Fund Balance Reporting and Governmental Fund Type Definitions" as of the fiscal year ended June 30, 2011.

Source: City Finance Department

City of Statistical
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008
Revenues:					
Taxes	\$ 7,759,331	\$ 8,632,837	\$ 9,508,757	\$ 9,876,760	\$ 10,165,881
Special assessments	555,232	593,778	504,908	541,382	543,561
Intergovernmental	6,353,152	8,306,557	8,821,141	11,169,052	9,896,948
Charges for services	709,011	761,040	870,314	1,002,210	1,111,655
Fines and forfeitures	733,903	713,201	589,922	546,902	637,484
Licenses and permits	1,457,345	1,732,555	2,389,149	4,247,626	3,121,476
Investment income	395,929	654,066	1,250,570	1,716,194	1,629,257
Other	234,951	480,740	792,216	767,457	826,177
Total revenues	18,198,854	21,874,774	24,726,977	29,867,583	27,932,439
Expenditures:					
Current:					
General government	3,663,055	3,787,005	3,551,659	4,402,235	3,987,656
Public safety	4,857,179	4,954,630	5,404,259	4,880,290	4,933,958
Highway and streets	1,365,737	4,301,146	4,769,497	5,114,274	4,926,418
Parks, recreation and culture	2,114,090	2,750,815	2,613,834	3,475,549	3,714,762
Community development	3,419,856	1,050,025	2,748,539	2,292,757	2,246,496
Capital outlay	9,261,289	1,682,830	5,320,597	5,344,935	4,271,890
Debt service:					
Principal retirement			235,000	240,000	255,000
Interest and fiscal charges	145,580	237,487	404,075	493,840	411,583
Total expenditures	24,826,786	18,763,938	25,047,460	26,243,880	24,747,763
Excess (deficiency) of revenues over (under) expenditures	(6,627,932)	3,110,836	(320,483)	3,623,703	3,184,676
Other financing sources (uses):					
Bond issued or refinancing					
Bonds discount or premium					
Transfers in	9,906,970	2,363,367	6,469,523	6,030,764	7,266,149
Transfers out	(10,090,723)	(2,600,654)	(6,733,961)	(6,354,106)	(7,608,749)
Total other financing sources (uses)	(183,753)	(237,287)	(264,438)	(323,342)	(342,600)
Net changes in fund balances	(6,811,685)	2,873,549	(584,921)	3,300,361	2,842,076
Debt service as a percentage of noncapital expenditures	0.82%	1.38%	3.18%	2.91%	2.89%

Source: City Finance Department

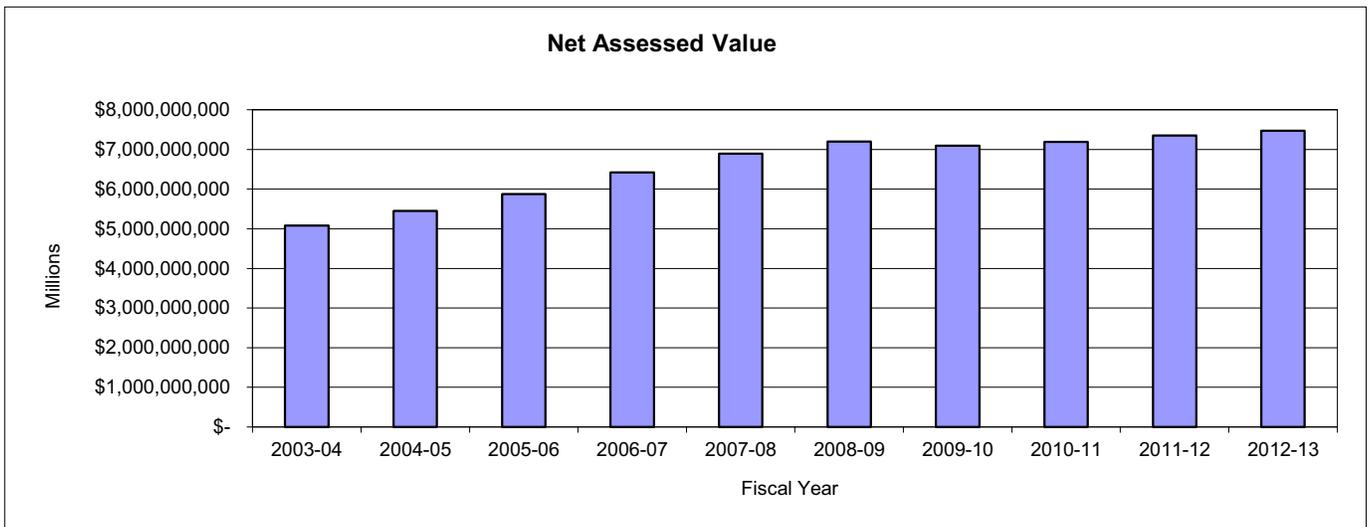
Schedule 4

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 9,119,375	\$ 8,591,893	\$ 9,646,883	\$ 9,664,801	\$ 10,200,419
550,822	556,989	556,562	547,209	550,609
12,081,466	11,478,456	9,441,959	11,053,326	10,427,352
1,460,828	3,191,416	3,390,367	3,190,675	3,238,165
601,533	607,936	567,575	509,166	522,142
1,445,324	640,287	818,913	1,127,569	1,238,626
938,053	648,503	499,377	183,507	30,116
1,018,956	30,766	113,578	54,634	551,710
<u>27,216,357</u>	<u>25,746,246</u>	<u>25,035,214</u>	<u>26,330,887</u>	<u>26,759,139</u>
5,071,860	4,435,858	4,977,021	5,485,001	4,214,834
5,407,476	5,524,279	5,580,507	5,731,595	5,678,614
5,607,870	5,183,964	5,002,456	6,609,087	5,263,046
3,673,282	3,655,029	3,712,194	4,090,551	4,050,161
1,945,951	1,604,220	1,960,125	2,114,433	2,010,040
5,508,167	5,161,924	11,480,595	6,702,615	3,031,168
265,000	280,000	290,000	12,510,000	335,000
187,212	33,904	37,461	406,626	502,291
<u>27,666,818</u>	<u>25,879,178</u>	<u>33,040,359</u>	<u>43,649,908</u>	<u>25,085,154</u>
(450,461)	(132,932)	(8,005,145)	(17,319,021)	1,673,985
			11,790,000	-
			252,381	-
6,629,225	4,379,718	2,929,528	6,085,337	5,195,892
<u>(7,039,825)</u>	<u>(4,795,374)</u>	<u>(3,535,556)</u>	<u>(6,494,449)</u>	<u>(5,690,201)</u>
<u>(410,600)</u>	<u>(415,656)</u>	<u>(606,028)</u>	11,633,269	<u>(494,309)</u>
(861,061)	(548,588)	(8,611,173)	(5,685,752)	1,179,676
1.77%	1.35%	1.45%	35.00%	3.49%

THIS PAGE INTENTIONALLY LEFT BLANK

City of Diamond Bar
Assessed and Estimated Actual Values of Taxable Property
2003/04 - 2012/13 Taxable Property Values
(unaudited)

Fiscal Year Ended June 30,	Real Property		Other Property	Less Tax Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	% Change
	Secured Property	Unsecured Property					
2003-04	\$ 5,051,058,871	\$ 77,407,924	\$ 140,122	\$ 47,621,182	\$ 5,080,985,735	0.05134	8.36%
2004-05	5,410,300,487	76,173,121	174,846	39,831,091	5,446,817,363	0.05313	7.20%
2005-06	5,842,972,449	83,223,023	163,090	51,408,286	5,874,950,276	0.05288	7.86%
2006-07	6,359,723,846	90,751,985	134,088	28,682,577	6,421,927,342	0.05280	9.31%
2007-08	6,824,177,817	109,704,881	0	39,859,238	6,894,023,460	0.05485	7.35%
2008-09	7,151,359,322	99,170,064	0	48,909,164	7,201,620,222	0.05270	4.46%
2009-10	7,071,193,381	90,528,493	0	66,422,679	7,095,299,195	0.05274	-1.48%
2010-11	7,183,008,793	81,410,401	0	70,706,628	7,193,712,566	0.05270	1.39%
2011-12	7,347,032,537	77,283,606	0	74,296,191	7,350,019,952	0.05268	2.17%
2012-13	7,471,528,800	76,724,231	0	78,856,697	7,469,396,334	0.05267	1.62%



Exempt values are not included in Total Net Taxable Values.

The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* Prior to 2007, all SBE Nonunitary Railroad Properties were taxed at the tax rate area level. As of 2007, there was legislation passed that requires Counties to track this value for the each county in a specific tax rate area and it's distributed differently. Therefore from this year forward, Cities can no longer keep tracking how much value there is on railroad properties within each City.

Source: HDL Coren & Cone and Los Angeles County Auditor/Controller-Property Tax Division.

City of Diamond Bar
Direct and Overlapping Property Tax Rates
(Rate per \$100 of Assessed Value)

Agency	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>
Basic Levy*	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00099	0.00092	0.00080	0.00066	0.00000
LA County Flood Control	0.00046	0.00025	0.00005	0.00005	0.00000
Metropolitan Water District	0.00610	0.00580	0.00520	0.00470	0.00450
Mt. San Antonio College	0.01525	0.01473	0.02122	0.02530	0.01750
Pomona Unified School Dist	0.12633	0.12910	0.12488	0.12401	0.11379
Rowland Heights Unified	0.03780	0.03885	0.03633	0.07429	0.06944
Walnut Valley Unified School Dist	0.09660	0.09515	0.09140	0.08749	0.08462
Total Direct & Overlapping Tax Rates	<u>1.2835</u>	<u>1.2848</u>	<u>1.2799</u>	<u>1.3165</u>	<u>1.2899</u>
City's Share of 1% Levy Per Prop 13*	0.05192	0.05192	0.05192	0.05192	0.05192
General Obligation Debt Rate					
Redevelopment Rate*					
Total Direct Rate*	0.05134	0.05313	0.05288	0.05280	0.05485

*
In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds for the Pomona Unified School District or Walnut Valley Unified School Districts in Diamond Bar depending on which school district the property is located in.

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.

Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Source: Hdl Coren & Cone

Schedule 6

<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
1.00000	1.00000	1.00000	1.00000	1.00000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
0.00430	0.00430	0.00370	0.00370	0.00350
0.02333	0.02571	0.02636	0.02642	0.02896
0.11577	0.14546	0.17721	0.17364	0.18488
0.07029	0.06769	0.07538	0.09195	0.10053
0.11297	0.11674	0.11839	0.11735	0.12554
1.3267	1.3599	1.4010	1.4131	1.4434
0.05192	0.05192	0.05192	0.05192	0.05192
0.05270	0.05274	0.05270	0.05268	0.05267

City of Diamond Bar
Top 10 Property Taxpayers
Current Year and Nine Years Ago

<u>Current Taxpayers</u>	<u>2012-13 Assessed Valuation</u>	<u>Percentage of Total Net Assessed Valuation</u>
Diamond Bar Gateway Corp Inc	\$ 40,000,000	0.54%
VIF II Hampton at Diamond Bar LLC	38,877,824	0.52%
Roic California LLC	30,937,432	0.41%
Target Corporation	26,794,346	0.36%
Pacifica Trenton Holdings-2 LLC	25,800,000	0.35%
Muller Rock 2 Gateway	25,623,828	0.34%
Hua Qing Enterprice LLC	22,022,250	0.29%
Margaret M. Tam Trust ETAL	17,668,775	0.24%
Emerald Pointe Apartments LLC	17,164,322	0.23%
Roic DBTC LLC	16,724,989	0.22%
Top Ten Total	<u>\$ 261,613,766</u>	3.50%
City Total	<u>\$ 7,469,396,334</u>	
	2003-04	Percentage of Total
<u>Taxpayers Nine Years Ago</u>	<u>Assessed Valuation</u>	<u>Net Assessed Valuation</u>
Opus Real Estate California IV LP	\$ 28,335,498	0.56%
Gem Gateway Limited	24,977,750	0.49%
1022 South Grand Avenue Apartments	22,628,277	0.45%
Country Hills DB LLC	21,118,272	0.42%
Bridge Gate Partners LP	18,465,893	0.36%
IRP Muller Associates LLC	17,102,423	0.34%
Danari Diamond Bar LLC ETAL	15,913,505	0.31%
Margaret M. Tam Trust	15,325,465	0.30%
Emerald Pointe Apartments LLC	14,894,980	0.29%
Shea Properties LLC	14,735,174	0.29%
Top Ten Total	<u>\$ 193,497,237</u>	3.81%
City Total	<u>\$ 5,080,985,735</u>	

Source: Hdl Coren & Cone.

City of Diamond Bar
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent	
		Amount	% to Levy	Years	% to Levy
2004	\$ 2,653,970	\$ 2,538,085	95.63%	\$ 115,884	4.37%
2005	2,844,211	2,713,312	95.40%	130,899	4.60%
2006	3,068,292	2,761,804	90.01%	306,489	9.99%
2007	3,351,647	3,090,289	92.20%	261,359	7.80%
2008	3,598,889	3,276,908	91.05%	321,981	8.95%
2009	3,760,371	3,436,585	91.39%	323,786	8.61%
2010	3,704,133	3,412,996	92.14%	291,137	7.86%
2011	3,750,806	3,505,792	93.47%	245,015	6.53%
2012	3,844,101	3,506,696	91.22%	337,405	8.78%
2013	3,908,533	3,778,461	96.67%	130,072	3.33%

Source: Los Angeles County Auditor/Controller.
City Finance Department

City of Diamond Bar
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Total Primary Government	% of Personal Income (b)	Debt Per Capita (b)
	Lease Revenue Bonds (a)	Other Bond & Loans	Total Governmental Activities			
2004	\$ 13,755,000	0	\$ 13,755,000	\$ 13,755,000	0.84%	232
2005	13,655,000	0	13,655,000	13,655,000	0.79%	229
2006	13,520,000	0	13,520,000	13,520,000	0.74%	227
2007	13,280,000	0	13,280,000	13,280,000	0.70%	223
2008	13,025,000	0	13,025,000	13,025,000	0.68%	217
2009	12,760,000	0	12,760,000	12,760,000	0.68%	212
2010	12,480,000	0	12,480,000	12,480,000	0.64%	225
2011	12,190,000	0	12,190,000	12,190,000	0.66%	218
2012	11,713,853	0	11,713,853	11,713,853	0.63%	210
2013	11,364,727	0	11,364,727	11,364,727	0.57%	203

Note:

(a) Details regarding the City's outstanding lease revenue bonds can be found in the notes to the financial statements.

(b) Details regarding the City's population and personal income can be found in the Demographic and Economic Statistics Table.

Source: City Finance Department

City of Diamond Bar
Direct and Overlapping Debt
June 30, 2013
(unaudited)

	Gross Bonded Debt Balance	% Applicable To City (1)	Net Bonded Debt
Direct Debt as of June 30, 2013			
Diamond Bar Lease Revenue Bond	\$ 11,364,727	100.000	\$ 11,364,727
Overlapping Debts as of June 30, 2013 (2)			
330.10 Metropolitan Water District	79,696,126	0.846	674,409
809.51 Mt San Antonio CCD 2001 Series 2004B	4,225,000	10.894	460,292
809.52 Mt San Antonio CCD 2005 & 2012 Refunding Bond	41,010,843	10.857	4,452,522
809.53 Mt San Antonio CCD 2001 Series C 2006	78,755,000	10.894	8,579,961
809.54 Mt San CD DS 2001, 2008 Series D	23,086,083	10.894	2,515,113
915.62 Pomona Unified School District 2000 Ser A	16,030,000	20.295	3,253,260
915.64 Pomona Unified SD Refunding 2001 Ser A	16,095,000	20.295	3,266,451
915.68 Pomona Unified School District 2002 Ser D	12,135,000	20.295	2,462,776
915.69 Pomona Unified School District 2002 Ser E	11,530,000	20.295	2,339,993
915.70 Pomona Unified School DS 2007 & 2012 Ref Bds	8,246,872	20.295	1,673,688
915.71 Pomona Unified School District 2008 Series A	33,055,000	20.295	6,708,453
915.72 Pomona USD DS 2008 Series B	3,890,000	20.295	789,469
915.73 Pomona USD 2008 Series C	57,400,000	20.295	11,649,227
915.74 Pomona USD DS 2012 Refunding Bond Series A	24,655,000	20.295	5,003,688
915.75 Pomona USD DS 2012 Refunding Bond Series B	29,595,000	20.295	6,006,252
915.76 Pomona USD DS 2008 Series D QSCBS	20,970,000	20.295	4,255,824
980.55 Walnut Valley Unified SD Refund Series 1997 A	10,330,000	59.310	6,126,711
980.59 Walnut Valley Unified SD 2000 Series D	12,570,543	59.310	7,455,574
980.60 Walnut Valley Unified USD DS 2000 Series E	6,001,837	59.310	3,559,682
980.61 Walnut Valley Unified SD 2005 Ref Bond	12,925,000	59.310	7,665,802
980.62 Walnut Valley Unified SD 2007 Series A (Measure S)	27,735,000	59.310	16,449,595
980.63 Walnut Valley Unified SD 2007 Series A (Measure Y)	6,575,887	59.310	3,900,151
980.64 Walnut Valley Unified SD 2011 Refunding	20,720,000	59.310	12,289,007
980.65 Walnut Valley USD 2007 Series B (Measure S)	19,996,838	59.310	11,860,100
980.66 Walnut Valley USD 2007 Series B (Measure Y)	7,990,547	59.310	4,739,184
Total Overlapping Debts:	<u>585,220,576</u>		<u>138,137,184</u>
Grand Total Direct and Overlapping Debt:	<u>\$ 596,585,303</u>		<u>\$ 149,501,911</u>

Debt to Assessed Valuation Ratios as of June 30, 2013:

2012/13 Net Assessed Valuation: \$ 7,469,396,334	Direct Debt	0.15%	\$203
2012 Total City Population: 56,099	Overlapping Debt	1.85%	\$2,462
	Total Debt	2.00%	\$2,665

Note:

- (1) Percentage of direct and overlapping agency's assessed valuation located within boundaries of the city.
(2) The overlapping debt is the portion of a larger agency, and is responsible for debt in areas outside the city.

Source:

Hdl Coren & Cone
U.S. Census Bureau
City Finance Department

City of Diamond Bar
Computation of Legal Debt Margin
Last Ten Fiscal Years
(unaudited)

Fiscal Year	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net assessed value	\$ 5,080,985,735	\$ 5,446,817,363	\$ 5,874,950,276	\$ 6,421,927,342	\$ 6,894,023,460
Add back: Exemptions	47,621,182	39,831,091	51,408,286	28,682,577	39,859,238
Gross assessed value	5,128,606,917	5,486,648,454	5,926,358,562	6,450,609,919	6,933,882,698
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,282,151,729	1,371,662,114	1,481,589,641	1,612,652,480	1,733,470,675
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	192,322,759	205,749,317	222,238,446	241,897,872	260,020,601
City Debts:					
Revenue bonds	13,755,000	13,755,000	13,520,000	13,280,000	13,025,000
Legal debt margin	\$ 178,567,759	\$ 191,994,317	\$ 208,718,446	\$ 228,617,872	\$ 246,995,601

Fiscal Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Net assessed value	\$ 7,201,620,222	\$ 7,095,299,195	\$ 7,193,712,566	\$ 7,350,019,952	\$ 7,469,396,334
Add back: Exemptions	48,909,164	66,422,679	70,706,628	74,296,191	78,856,697
Gross assessed value	7,250,529,386	7,161,721,874	7,264,419,194	7,424,316,143	7,548,253,031
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,812,632,347	1,790,430,469	1,816,104,799	1,856,079,036	1,887,063,258
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	271,894,852	268,564,570	272,415,720	278,411,855	283,059,489
City Debts:					
Revenue bonds	12,760,000	12,480,000	12,190,000	11,470,000	11,135,000
Legal debt margin	\$ 259,134,852	\$ 256,084,570	\$ 260,225,720	\$ 266,941,855	\$ 271,924,489

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local government located within the state.

Source: Section 43605 of the California Government Code
Hdl Coren & Cone
City Finance Department

City of Diamond Bar
Demographic and Economic Statistics

General Information

Date of Incorporation April 18, 1989
Form of Government Council-Manager
Area 14.76 Square Miles
Miles of Streets 128

Public Safety

Police Protection Los Angeles County Sheriff Department
Fire Protection Los Angeles County Fire Department

Water Services

Service Provider Walnut Valley Water District

Education

School District Pomona Unified School District
Schools 1 High School, 1 Middle School, & 4 Elementary Schools
School District Walnut Valley Unified School District
Schools 1 High School, 2 Middle Schools, & 4 Elementary Schools

Demographic and Statistical Information (Last Ten Calendar Years)

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	Pop 25+ High School Degree	Pop 25+ Bachelor Degree
2003	58,843	1,555,942	26,442	4.90%			
2004	59,304	1,642,869	27,702	4.60%			
2005	59,528	1,721,421	28,918	3.80%			
2006	59,497	1,827,966	30,724	3.40%			
2007	59,629	1,903,585	31,924	3.60%			
2008	59,920	1,929,498	32,201	5.30%			
2009	60,184	1,885,698	31,332	8.30%	39.2	93.1%	46.7%
2010	55,766 *	1,960,418	35,154	9.10%	39.8	92.0%	47.6%
2011	55,819	1,846,158	33,074	8.80%	40.5	92.5%	47.8%
2012	56,099	1,991,290	35,496	6.60%	40.6	92.6%	48.8%

Single Family Residential Full Value Sales (01/01/2011-07/31/2013)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2011	581	\$ 488,082	\$ 410,000	
2012	771	\$ 488,479	\$ 420,000	2.44%
2013	494	\$ 571,660	\$ 482,500	14.88%

Sources: * U.S. Census Bureau
HdL Cornen & Cone
City Finance Department

City of Diamond Bar
Principal Employers
(unaudited)
Current Fiscal Year and Nine Fiscal Years Ago

Company Name	2013		
	Number of Employees	Rank	Percent of Employment
South Coast Air Quality Management	786	1	2.66%
Walnut Valley Unified School District	520	2	1.76%
Video Transcription Services	500	3	1.69%
Travelers	401	4	1.35%
Magan Medical Inc	300	5	1.01%
Pomona Unified School District	210	6	0.71%
Carrescia James-First Team Sns	200	7	0.68%
Diamond Bar High School	200	8	0.68%
Rapid Rack Industries Inc	151	9	0.51%
First Team Real Estate	150	10	0.51%
Total	3,418		11.17%

Company Name	2004		
	Number of Employees	Rank	% of City Employment
South Coast Air Quality Management	725	1	n/a
Avnet	600	2	n/a
Acosta Sales & Marketing Group	450	3	n/a
Allstate Insurance Co	200	4	n/a
Diamond Bar High School	200	5	n/a
Century 21 Diamond Realty	150	6	n/a
Starside Security & Investigation	120	7	n/a
Southwest Patrol	120	8	n/a
Biosense Webster Inc	100	9	n/a
First Mortgage Corp	100	10	n/a
Total	2,765		n/a

Note:

Total city employment 30,600 in 2013, provided by California Labor Market.
Data Source: Info USA HdL,

City of Diamond Bar
Full-time and Part-time City Government Employees
by Function/Program

Function	Fiscal Year Ended June 30,				
	2009	2010	2011	2012	2013
General government	25	21	24	23	24
Community development	7	8	8	8	8
Community services	71	75	75	75	87
Public works	10	9	9	9	8
Total	113	113	116	115	127

Function	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008
General government	25	25	22	21	24
Community development	5	7	8	8	6
Community services	45	74	77	74	69
Public works	6	7	7	8	10
Total	81	113	114	111	109

Note:

The City is a contract city and as such contracts for many of its services. This includes police services, fire services, building and safety services, engineering, road maintenance and landscape maintenance. A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Source: City Finance Department

City of Diamond Bar
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,				
	2009	2010	2011	2012	2013
Police:(in fiscal year) (1)					
Physical arrests	591	700	647	737	630
Street Sweeping Parking Citation	5,103	5,110	4,137	3,766	3,776
Fire: (in fiscal year) (2)					
Number of emergency calls	2,561	2,654	2,594	2,516	2,604
Inspections	1,100	979	1,202	1,287	1,477
Public works: (in fiscal year) (3)					
Street resurfacing (miles)	13.8	23.3	12.0	9.2	8.3
Parks and recreation:(in fiscal year)(4)					
Number of recreation classes(5)	1,315	2,456	2,115	2,096	2,082
Number of facility rentals	4,299	4,111	4,147	4,270	4,332

Function	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008
Police: (1)					
Physical arrests	481	520	558	582	543
Street Sweeping Parking Citation	6,710	6,250	5,790	5,684	5,200
Fire: (2)					
Number of emergency calls	2,755	2,615	2,592	2,612	2,595
Inspections	1,206	1,159	837	1,114	1,085
Public works: (3)					
Street resurfacing (miles)	5.0	18.6	16.8	19.6	18.5
Parks and recreation:(4)					
Number of recreation classes	1,022	1,102	1,376	1,558	1,569
Number of facility rentals	1,736	4,123	4,305	4,555	4,103

(a) Unavailable

Sources:

- (1) Police Walnut/Diamond Bar Station
- (2) LA County Fire Dept East Regional Operation Bureau
- (3) City Public Works Department
- (4) City Community Services Department
- (5) Includes online classes

Note: Indicators are not available for the general government function.

City of Diamond Bar
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety (1)										
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units (all shifts combined)	20	20	19	19	18	18	18	18	18	18
Fire stations (2)	3	3	3	3	3	3	3	3	3	3
Highways and streets (3)										
Streets (miles)	128	128	128	128	128	128	129.4	129.4	129.4	129.4
Streetlights	(a)	(a)	(a)	233	233	233	294	294	294	294
Traffic signals	(a)	(a)	(a)	74	74	74	76	76	76	76
Culture and recreation:(4)										
Parks acreage (developed)	62.7	62.7	62.7	62.7	62.7	62.7	62.7	63.6	67.9	67.9
Parks acreage (undeveloped)	439.0	439.0	439.0	439.0	439.0	439.4	439.4	440.3	440.3	440.3
Parks	11	11	11	11	11	12	12	13	14	14
Public Tennis courts	8	8	8	8	8	8	8	8	8	8
Community centers	3	3	3	3	3	3	3	3	3	3
Golf Course:(5)										
County golf courses	1	1	1	1	1	1	1	1	1	1
Sewer (3)										
Sanitary sewers (miles)	(a)	(a)	(a)	157	157	157	158.4	158.4	158.4	161.21

(a) The City fully implemented the new reporting model of the Infrastructure Valuation and Asset Management System in accordance with GASB 34 in FY2007.

Sources:

- (1) Police Walnut/Diamond Bar Station
- (2) LA County Fire Department, Division VIII Office
- (3) City Public Works Department
- (4) City Community Services Department
- (5) LA County Golf Course

Note:

The City is a contract city and as such contracts for many of its services. This includes police services, fire services, building and safety services, engineering, road maintenance and landscape maintenance.

No capital asset indicators are available for the general government function.

THIS PAGE INTENTIONALLY LEFT BLANK